and evaluation program has been made peculiarly difficult because it cuts across many activities within the naval establishment. In my opinion, it is in this area that the present shortfalls are most serious. This area concerns me because it is the cornerstone from which we build our future programs, our efforts to counter somber specter of the Soviet threat.

Let us focus on each of these areas to assess our progress.

HARDWARE AND FACILITIES

It is not at all clear that the current U.S. nuclear submarine building program is sufficient, either in total numbers or in rate of construction. Currently, approved programs call for 64 first-class nuclear submarines. A primary mission of these submarines is ASW.

Considering the potential Soviet threat alone, both in numbers and increased capabilities, and recognizing that undersea warfare is characterized by high attrition, it seems doubtful that the currently approved program of U.S. submarines is adequate to the task. Moreover, it is acknowledged that the present program is based on requirements other than those which might be attendant in the event of nuclear attack upon the United States.

As for the rate of construction, the program has been plagued by slippage. The program has also been stretched out. For fiscal year 1968, the Joint Chiefs of Staff recommended five new nuclear submarines, only three of which were approved by the Secretary of Defense.

Aircraft, both land- and sea-based, and both fixed and rotary wing, are essential to the ASW mission. One of the proven methods in ASW operations has been the so-called hunter-killer group, built around an aircraft carrier with embarked aircraft, escorting destroyer-type vessels, and attack submarines.

This role of the aircraft carrier is now being challenged as being less cost-effective than alternative approaches. The number of carriers in the active fleet was reduced from nine to eight in fiscal year 1967. The Secretary of Defense proposes to reduce the force further "when the conflict in Vietnam ends." The Joint Chiefs of Staff, on the other hand, recommend retention of nine carriers.

It may be that other surface ship programs are also deficient in meeting the true ASW requirement. It has long been recognized that large numbers of ships are required to cope with a massive submarine threat, and there is no evidence that ship construction is expanding, either to produce greater numbers of ships in the active fleet to meet a growing threat, or to permit modernization at a rate sufficient to overcome obsolescence. For example, the Joint Chiefs of Staff recommended in fiscal year 1968 one nuclear-powered guided missile frigate and two conventionally powered destroyers; the Secretary of Defense did not approve the request for the frigate in fiscal year 1968.

With respect to antisubmarine warfare aircraft, the basic issue is development of a new carrier-based aircraft to replace the obsolete S–2E. For fiscal year 1968, the Secretary of Defense disapproved a Navy proposal—concurred in by the Joint Chiefs of Staff—to proceed with contract definition for this improved aircraft. The Navy was also turned down on its proposal to develop a light airborne ASW attack vehicle, conceived as a manned helicopter to be operated from ASW ships and capable of carrying antisubmarine weapons.

This seeming reluctance to expedite development of ship-based aircraft ASW systems and surface vessels is, in light of the serious threat posed by the Soviet Union, difficult to understand. It can only be explained by an ambivalence, a lack of definition resulting from the fact that our antisubmarine warfare program has not in the past been fully coordinated and still today lacks, in a number of critical areas, either the capability or the disposition to move more decisively.

RESEARCH, DEVELOPMENT, TESTING, AND EVALUATION

There is even more serious doubt as to the adequacy of the current antisubmarine warfare program for research, development, testing, and evaluation. The Secretary of the Navy has expressed concern over the fiscal year 1968 research, development, testing, and evaluation budget generally, and had characterized it as "tight." On the basis of the congressional hearings on the fiscal year 1968 Defense budget, it appears that there were research, development, testing, and evaluation projects for antisubmarine warfare in the amount of $46 million which the Navy considers desirable but which were considered necessary by the Navy and left unfunded by the Secretary of Defense. This amount included both weapons and sensors. Among the programs affected were the undersea surveillance system—SOSUS—the MK–48 torpedo, increased technical support, a more comprehensive test program, and advanced surface ship sonars. Through the able effort of Chairman RIVERS and Representative STRATTON, chairman of the Special Subcommittee on Antisubmarine Warfare, the authorization for these needed funds has been restored.

SHORTCOMINGS IN OUR CURRENT EFFORTS

As I see it, the antisubmarine warfare research, development, testing, and evaluation effort suffers from two shortcomings: First, the lack of an integrated approach; and second, the absence of centralized authority and technical control. Since the designation of Admiral Martell as the director, antisubmarine warfare programs, much progress has been made, particularly in the development of short-term programs.

In spite of recent improvements there are many areas in which our efforts remain fragmented and piecemeal. If there is one, single shortcoming which—more than any other—threatens our undersea warfare capability and, therefore, our total superiority at sea, it is the fact that we are operating with antiquated facilities which are both costly and ineffective. It was in recognition of this fact that the Navy Department adopted the proposal of the President's Marine Resources Advisory Committee that a single center responsible for conducting technical and research activities be created on both the east and west coasts. This proposal, which is embodied in the administration military construction authorization bill, would provide funds for a west coast facility, with the east coast facility being brought into being through expansion of existing facilities. It seems to me that it is critical that this Congress move quickly to authorize this important west coast facility so that our Nation can, in the words of Admiral MacDonald, Chief of Naval Operations, meet the "increasing and imposing threat of our potential enemies—antisubmarine warfare effort."

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 13, 1967

The House met at 11 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Abide in Me, and I in you. As the branch cannot bear fruit of itself, except it abide in the vine; no more can ye, except ye abide in Me.—John 15: 4.

Spirit of God, pressed by the insistent demands of public duty and pursued by the details of daily routine, we are glad for this quiet moment of prayer when in all reverence of mind and heart we may kneel at the altar of Thy presence and find that in Thee our souls are restored, our strength renewed, and our faith takes on new life.

We, the Members of this body, conscious of our responsibilities as the leaders of this great Republic, unite in praying for Thy guidance as we faithfully endeavor to do our best for our people and what is right in Thy sight. Give to these Representatives the will to work together for the good of our Nation and for the benefit of all our people.

Grant unto them and to all of us the spirit to resist the pressure of selfish appeals, and to our people may there come the insight to realize that sacrifices must be made by all and that there is no substitute for honest labor and genuine faith. In the midst of a changing world abide with us and hold us steady now and always. In the Master's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5424. An act to authorize appropriations for procurement of vessels and aircraft

and construction of shore and offshore establishments for the Coast Guard.

The message also announced that the Senate had passed bills, joint and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 1281. An act to authorize the appropriation of funds to carry out the activities of the Federal Field Committee for Development Planning in Alaska;

S. 1566. An act to amend sections 3 and 4 of the act approved September 22, 1964 (78 Stat. 990), providing for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans;

S.J. Res. 88. Joint resolution authorizing the operation of an amateur radio station by participants in the XII World Boy Scout Jamboree at Farragut State Park, Idaho, August 1 through August 9, 1967; and

S. Con. Res. 30. Concurrent resolution to print a report entitled "Mineral and Water Resources of Alaska."

CALL OF THE HOUSE

Mr. HALL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 132]

Abbitt	Fino	Ronan
Arends	Frelinghuysen	Ruppe
Ashley	Fuqua	Satterfield
Aspinall	Gubser	St Germain
Ayres	Hanna	St. Onge
Brown, Calif.	Herlong	Smith, N.Y.
Brown, Mich.	Hosmer	Sullivan
Celler	Jones, Mo.	Talcott
Clark	Kelly	Thompson, N.J.
Conyers	McEwen	Widnall
Corman	Mathias, Md.	Williams, Miss.
Dawson	Moorhead	Willis
Dingell	O'Neal, Ga.	Young
Dow	Pelly	Younger
Ellberg	Purcell	
Fascell	Riegle	

The SPEAKER. On this rollcall 383 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SPECIAL SUBCOMMITTEE ON EDUCATION

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent that the Special Subcommittee on Education be allowed to sit this afternoon.

The SPEAKER. Is there objection to the request of the gentlewoman from Oregon?

Mr. HALL. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1968

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10738) making appropriations for the Department of Defense for the fiscal year ending June 30, 1968, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 4 hours, the time to be equally divided and controlled by the gentleman from California [Mr. LIPSCOMB] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 10738, with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Texas [Mr. MAHON] will be recognized for 2 hours and the gentleman from California [Mr. LIPSCOMB] will be recognized for 2 hours. The Chair recognizes the gentleman from Texas.

Mr. MAHON. Mr. Chairman, this is a rather memorable day in the history of the Congress and in our service in the Congress in that the bill being presented for the consideration of the Committee today is the largest single appropriation bill ever presented to the Congress.

Mr. Chairman, this means that this is the largest single appropriation request ever presented to any legislative body in the history of the world.

Back in World War II, the War Department appropriation bill for fiscal year 1944 carried funds in the sum of $59 billion.

Then, just before the outbreak of the war in Korea, we had all of the appropriation bills lumped into one package. It was a single-package appropriation bill. That bill provided funds to cover all of the departments and agencies of Government, including the Department of Defense, but even it carried an amount of less than $34 billion. So, by any comparison, we are undertaking today to deal with astronomical sums heretofore unmatched which involve the fortunes and the destiny of our country—and for that matter, the world—not to mention the impact which the expenditure of these funds will have upon our own domestic economy.

OVERALL APPROPRIATIONS SUMMARY FOR THE SESSION

Now, Mr. Chairman, it is my opinion that this is a good time to level with everyone on such questions as when we will adjourn, a matter over which many of us have no special control, and on what we have done appropriationwise to date.

We have already considered and passed through the House of Representatives at this session 10 bills from the Committee on Appropriations. This bill, if passed, will make the 11th appropriation bill passed by the House of Representatives during this session.

Mr. Chairman, with the passage of this bill, we will have acted upon $126.9 billion of the President's budget requests for appropriations. We will have acted upon about 85 percent of the requests for appropriations which we will probably be asked to act upon this year, and we may be prone to feel that we are sailing along pretty well toward an early adjournment. However, if we should indulge that fond hope, we would probably be in error and headed for disappointment, because the Committee on Appropriations, after the passage of this bill, must come to a screeching halt with respect to the five remaining bills scheduled for enactment at this session. Even though this is the 13th day of the sixth month of the year, and only 17 more days remain before the new fiscal year begins, the Congress has not enacted the necessary authorizations for the five remaining appropriation bills.

For the reasons we stated we cannot move with expedition until we have authorizations for such things as Coast Guard procurement, the poverty program, military construction, foreign aid, the atomic energy program, the space program, and a number of others. So, this is about the end of the road—we are at a pause—until we get the necessary legislative authorizations. The next bill will have to come after the next fiscal year begins. I would add that our appropriations hearing on the unfinished bills have largely been completed, except for the closing supplemental bill.

The five remaining bills will cover some $20.9 billion of known budget requests plus any last minute supplements.

I am not critical over the lack of authorizations because I realize we need to give very close attention to all of these authorizations.

To see the aggregate picture, we would have to add to the $126.9 billion which we will have acted upon when we pass this measure, and the $20.9 billion-plus remaining—about $15.2 billion which is automatic because these sums represent so-called permanent appropriations which include principally the interest on the national debt. For the entire session, the budget requests for appropriations will total about $163,000,000,000, more or less.

Mr. Chairman, I wanted to make these preliminary remarks in connection with the whole fiscal picture. Appropriate figures will be put in the RECORD in more detail.

There are those who have said that there is no way to keep up with the appropriations business. There are ways, and one way is to note carefully the information which is being printed from time to time in the CONGRESSIONAL RECORD. I cite the RECORD for today, and for March 23, May 25, and June 5. There will be other reports on the status of

the appropriations business in the coming weeks and months.

For example, I am going to write every Member of the House, a letter again this week and give some of these basic facts in order that we may all work together, I hope, in a continued, concerted effort to hold the line on spending, at least to bring the appropriations down to as low a level as may be reasonably possible.

For the forthcoming fiscal year 1968, the tentative administrative budget deficit projection in January was $8.1 billion—resting, however, as always, on a number of legislative actions. That projection was recently revised upward by the executive branch to $11.1 billion, an increase of $3 billion. The revenue projection was lowered by $1.5 billion; estimated expenditures were elevated by $1.5 billion.

As to the tentative character of the projected deficit for fiscal 1968, I pointed out on the House floor on January 24—the day the President's new budget was submitted—that even if only a handful of selected budget assumptions and contingencies did not materialize, the administrative budget deficit for 1968 could go as high as $18.3 billion, and supplied the details in tabular form. And in a letter to all Members of the House on March 14, I said:

Even the $8.1 billion deficit for fiscal 1968 hinges significantly on Congress enacting the 6 percent surtax proposal, a postage increase, an acceleration of corporate tax collections, and approval of $5 billion of participation certificates. The proposed pay increase is in the budget at $1 billion. If just this series of actions is not approved by Congress, for instance, the estimated deficit would be $18.3 billion!

This is not the time to discuss whether there should be a tax increase. But these shifts in the budget outlook, joined with the contingencies and uncertainties still surrounding the revised $11.1 billion budget deficit figure, have evoked estimates of an administrative budget deficit upward of $24 to $29 billions in fiscal 1968. This alone should compel us to greater prudence in conference dealings, in considering the $20 billion, plus in budget requests remaining to be voted on, and in voting on all legislative authorizations.

With this defense bill today, we will have reduced the President's January budget by $3,039,000,000. This is considerably better than was done last year. It is considerably better than was done the year before. Maybe it is not good enough, but the bills which have passed have passed almost by a unanimous vote. So I assume that generally the will of the Congress has been accomplished in making the $3 billion reduction.

We do not know what the other body will do. Out of the 11 appropriation bills, it has acted on, I believe, four, it is impossible to tell what the final outcome will be on appropriations at this session. There must be a meeting of the minds on the part of both bodies, the House and the Senate. We hope we may increase the level of reductions in the forthcoming bills.

Mr. Chairman, under leave granted, I include a summarization of the totals of the appropriations bills to date:

Summary of action on budget estimates of appropriations in appropriation bills, 90th Cong., 1st sess., as of June 13, 1967

[Does not include any "back-door" type appropriations, or permanent appropriations [1] under previous legislation. Does include indefinite appropriations carried in annual appropriation bills]

	All figures are rounded amounts		
	Bills for fiscal 1967	Bills for fiscal 1968	Bills for the session
A. House actions:			
1. Budget requests for appropriations considered	$14,411,000,000	[2,3] $112,477,000,000	$126,888,000,000
2. Amounts in 11 bills passed by House	14,238,000,000	[2,3] 109,611,000,000	123,849,000,000
3. Change from corresponding budget requests	−173,000,000	−2,866,000,000	−3,039,000,000
B. Senate actions:			
1. Budget requests for appropriations considered	14,533,000,000	9,073,000,000	23,606,000,000
2. Amounts in 4 bills passed by Senate	14,457,000,000	8,954,000,000	23,411,000,000
3. Change from corresponding budget requests	−76,000,000	−119,000,000	−195,000,000
4. Compared with House amounts in these 4 bills	+219,000,000	+90,000,000	+309,000,000
C. Final actions:			
1. Budget requests for appropriations considered	14,533,000,000	1,458,000,000	15,991,000,000
2. Amounts approved in 3 bills enacted	14,394,000,000	1,383,000,000	15,777,000,000
3. Comparison with corresponding budget requests	−139,000,000	−75,000,000	−214,000,000

[1] Permanent appropriations were tentatively estimated in January budget at about $15,212,066,000 for fiscal year 1968.
[2] Includes advance funding for fiscal 1969 for urban renewal and mass transit grants (budget, $980,000,000; House, $925,000,000).
[3] And participation sales authorizations as follows: Total authorizations requested in budget, $4,300,000,000; total in House bills, $1,946,000,000.

I would like now if I may, Mr. Chairman, to turn to a discussion of this huge measure which is before us. The late Clarence Cannon, longtime chairman of the Appropriations Committee, looked with a great deal of disfavor upon a practice that has grown up in committees when the members arise and heap praise upon the members of the committee in control of the bill or of the subcommittee, including eloquent praise of the staff. This is not supposed to occur in well-ordered committees, but since this bill is so big, I believe a few encomiums would be permitted if I can be brief.

DEFENSE APPROPRIATION BILL, FISCAL YEAR 1968

I would say that no committee of the Congress is, in a general way, much stronger than its staff, and I challenge any committee to produce a better staff than we have on the Committee on Appropriations. It is not large, but I believe it is better to have a good, professional, experienced staff than to have a large staff overflowing almost into the corridors who may be tempted to engage in make-work activities.

I would say further than the gentleman from Florida [Mr. SIKES], who is the ranking majority member of the Defense Subcommittee, has been especially helpful. He has often presided when I have been at other subcommittee hearings.

The gentleman from California [Mr. LIPSCOMB] has distinguished himself on the minority side as a man of great stature, industry, and ability.

I pay these special compliments to these two gentleman—and I withhold nothing from other members of the subcommittee who have been likewise faithful in the performance of their duties.

We have heard of a credibility gap and maybe I just created one here in these words of praise but I think not.

It was said that we were not given the truth last year as to defense appropriation requirements and spending. Well, this issue has been greatly exaggerated and overstated.

In the defense bill last year, we were told early in the session that the financial planning assumptions upon which the budget was based last year presumed that the war would end before June 30, 1967. Nobody thought that it would actually end at that time. But the conflict was escalating rapidly and it was difficult to calculate with precision the exact requirements. We were told that other requests would be made to us, but that they could not and would not be presented until a later date when more precise requirements would be known.

This situation brought on a lot of controversy and argument. But we were told generally what the facts were. Besides that, we knew them from our own analyses and we did not need to be told of the situation.

But the budget this year for defense is based upon entirely different financial planning assumptions and the complaints applied to the 1967 defense budget cannot be applied to the 1968 defense budget which is before us.

The January defense budget which is before us assumes that the war in Vietnam will continue throughout the fiscal year 1968 and into fiscal year 1969.

So this budget may be adequate—although I admit I doubt it—but my doubts do not arise because of any fear of misrepresentations having been made to the Congress. I just have the feeling that as the result of the progress, or the lack of progress, being made in the war in Vietnam costs will go beyond those which were calculated in the January budget.

The January budget is predicated upon having fewer than 500,000 men in Vietnam during fiscal 1968. There are indications that we may require more than 500,000 men. Therefore, I say there is considerable likelihood that additional funds may be required later in the year.

Anyone who wishes to read the material available knows this. It has already been made clear in testimony before con-

gressional committees including the Appropriations Committee.

There is another factor here. If you calculate from the Treasury Department statements, the spending for defense—and I mean the whole Department of Defense—it will be observed that the spending rate in March and April was higher than that which was estimated in the budget.

In 1 month it was $300 million higher. Whether it will continue that way, it is impossible to predict.

We may have a supplemental request later in the fiscal year, but it will not be because of any lack of forthrightness on the part of the President and the Secretary of Defense and the administration generally.

So I did feel it proper to make these contrasts between the bases of the budget for the fiscal year 1967 and fiscal year 1968.

BASIS OF COMMITTEE ACTION

Now you may ask "Why in Heaven's name is a reduction in the defense budget being recommended in this bill in the sum of $1.2 billion at a time when costs may be greater and at a time when we are engaged in a war?"

This, I think, is a pertinent question and requires discussion at this time.

I would say to the House that in previous years we have often said, "You have overfunded certain programs. We are going to reduce a certain activity by a certain number of dollars, but since we know you are going to need this money in the same general area for other programs which we think are underfinanced, we are going to leave this money in the bill."

This year we decided that this approach would tend to cause less control over funds. We provided funds based upon our analysis of the justifications presented. If additional funds are needed for some escalation of the war beyond that which is anticipated in the budget, the Defense Department can come and ask us for more money.

If you will get a copy of the report and turn to page 2, you will find that the total budget request is $71.5 billion and the total amount recommended in the bill is $70.3 billion.

You will also note that while this is the largest bill ever considered by this Government as a single appropriation bill, it is only $65.5 million above the total appropriation for similar purposes for the current fiscal year. The total appropriation for fiscal 1967 was made in several bills: the regular appropriation bill, the defense supplemental bill, and the increased pay costs in the second supplemental. So this is not a great addition to the amounts provided for the current fiscal year.

If you have time to read three pages in this report, I recommend reading page 3, which discusses the committee approach to the bill, a portion of page 3 and page 4 which discuss the scope of the bill.

When we discuss the scope of this bill, we find that the committee added in this bill $404 million above the budget, funds not requested but generally opposed by the administration.

The pages referred to follow:

COMMITTEE APPROACH TO THE BILL

The budget request before the Committee totals $71.6 billion. The estimated carryover of unexpended funds on July 1, 1967, is $43.7 billion. The sum of the carryover funds and the $70.3 billion recommended in the bill equals $114 billion.

In its review of the budget, the Committee determined that in some instances funds were requested for purposes which, in the judgment of the Committee, did not require appropriations at this time. Such funds are deleted from the bill.

The Committee found that, in some instances, funds requested in the budget were not needed for the purposes requested. These funds have also been deleted. This appears to be the most logical approach to a Defense budget at this time.

Although considerable sums are involved in the total recommended reductions, and world developments may create the requirements for substantial funds in addition to those recommended, it did not seem appropriate to provide such sums in the bill as "blank check" amounts to be used for purposes which had not been justified before the Committee or discussed by Defense witnesses.

The Committee is, however, of the opinion that funds over and beyond those carried over from previous years, and those included in the pending bill, will probably be required for fiscal year 1968. The tempo and cost of the war in Southeast Asia are on an upward trend. The costs of wars can never be projected precisely. The actions of the opponent weigh heavily on such matters. No decision has been made to increase military manpower above those strengths provided for in the estimates. Rates of consumption of ammunition, aircraft loss rates, and so forth, are based on the latest data available at the time of budget submission. If additional amounts are subsequently requested, they will of course be given a high priority.

The action of the Committee is based upon the budget request before it; efforts have not been made to anticipate the effect of future world events on Defense needs. The highly dangerous situation in the Middle East emphasizes the absolute requirement for the continuation of a high level of military strength which the accompanying bill seeks to assure.

Emergency funds and other fiscal authority granted to the Department provide flexibility to meet unbudgeted and unanticipated events, and to permit both the Executive and Legislative Branches the time to react to such events.

The reductions recommended by the Committee will not hamper the war effort in Southeast Asia. They are made in programs not directly related to the prosecution of the war. The Defense Department estimates that of the $71.6 billion of new funds in the budget about $20.3 billion will be required for the war and about $51.3 billion will be required for Department of Defense efforts in other programs. This compares with the $70.2 billion appropriated for fiscal year 1967 of which the Department estimates about $21.3 billion will be required for the war in Vietnam.

SCOPE OF THE BILL

The budget estimates for fiscal year 1968, for the military functions covered by this bill, total $71,584,000,000, including a proposed $30,000,000 annual indefinite amount. The accompanying bill provides for appropriations of $70,295,200,000, a decrease of $1,288,800,000 below the estimate. Appropriations for fiscal year 1967, including the Supplemental Defense Appropriation Act, 1967, and applicable amounts of the Second Supplemental Appropriation Act, 1967, total $70,229,622,000. The amounts recommended in the bill for 1968 are, in the aggregate, an increase of $65,578,000 above the appropriations for 1967.

Of the reductions recommended by the Committee, $467.7 million was made mandatory by the exclusion from the authorizing legislation of $301.1 million for fast deployment logistics ships and $166.6 million for conventional destroyers. Other reductions are related to program changes occurring since the budget was formulated as, for example, a slow down in the F–111B aircraft program occasioned in part by the crash of one of the test aircraft.

It should be pointed out that the net reduction of $1,288,800,000 consists of overall reductions of nearly $1.7 billion offset by increases of slightly over $0.4 billion. The increases stem from the funding of certain procurement and research and development items authorized by Congress over and above the budget, and from the Committee position that certain military capabilities should not be permitted to be reduced during the forthcoming fiscal year.

Each of the items and its relation to the previous general discussion will be covered in more detail later on in this report.

A summary of additions and decreases follows:

[In millions]

Additions:	
Continuation of B–52 strength	$11.9
Continuation of Air Force Reserve Components airlift capability:	
appropriation increase	12.1
(Within available funds)	(14.4)
EA–NA aircraft	106.7
A–6A modifications (within available funds)	(30.0)
DLG(N), full funding on nuclear power guided missile frigate	114.8
DLG(N), advance procurement	20.0
C–130 airlift aircraft	60.0
C–7 Caribou aircraft	12.5
CX–2 aeromedical evacuation aircraft	16.0
Aircraft modification in support of Southeast Asia future requirements	25.0
ASW—(fund highest priority items within available funds)	(33.0)
AMSA—in support of authorized program	25.0
Total, appropriations recommended above budget	404.0
Decreases:	
Fast deployment logistic ships, failed of authorization	301.1
Conventional destroyers, failed of authorization	166.6
Recoupments of excessive unobligated balances	251.0
Civilian employment	136.0
Multi-service aircraft, support procurement	125.0
F–11B program stretch-out	78.2
Technical manuals and data	75.0
Tactical and support vehicles, including autos	55.8
Resources management system	52.7
Commercial airlift rates (new CAB authorized)	48.9
AID/DOD realignment of S.E. Asia functions	47.4
Contract termination charges funding policy on	46.9
Permanent change of station travel (Army)	44.0
Revised ship conversion program	42.1
Research, and Federal Contract Research Centers	22.8
Management studies, and studies & analyses	22.4
Support of Eastern Test Range	15.0
Army overcoat material	14.6
Boards of Civil Service Examiners	8.9
All others	138.4
Total reductions in appropriations below budget	1,692.8

CONTINUATION OF B–52 BOMBER STRENGTH

The additional funds were provided for the following purposes: For a continuation of B–52 strength equivalent to three squadrons. Forty-five planes were scheduled for elimination from the fleet late in the year, for the continuation of which we provided $11.9 million.

RESERVE AIRLIFT CAPABILITY

For a continuation of the Air Force Reserve components airlift capability, we provided $12.1 million to keep eight Reserve units and three National Guard units in operation.

We added these funds because at this troubled time of war in the Far East and the threat of war in other areas of the world, including the Middle East, we did not think we ought to deprive ourselves of B–52 strength or airlift strength. So we took this action.

ADDITIONAL EAGA AIRCRAFT

We provided $106 million for certain aircraft, for the use of the Marines in Southeast Asia, as to which, I believe, no one could complain.

COST OF WAR IN VIETNAM

I would point out that in the bill before us about $20 billion is scheduled for the cost of the war in Vietnam and about $51 billion is for the overall cost of operating the Defense Department.

We did not make reductions which we felt would impinge in any significant way upon our war effort in Vietnam. The reductions made would not have direct application to the war in Vietnam.

We provided, above the budget, for the modification of certain types of aircraft required in Vietnam.

NUCLEAR PROPULSION FOR SURFACE NAVAL VESSELS

We provided for additional ships for the nuclear Navy. With the passage of this bill we will have provided for the Navy 111 ships which have nuclear propulsion.

I will not go into detail on that. The funds are given in detail in the report.

I see the gentleman from South Carolina standing, the eminent and able and articulate chairman of the House Committee on Armed Services. He had the audacity to walk by me, as I spoke earlier, and in reference to my statement that I challenged any committee to produce a better staff than we have on the Appropriations Committee, he said very boldly but in a low tone, "I challenge you."

I yield to the gentleman from South Carolina.

Mr. RIVERS. I thank the gentleman. What I said, Mr. Chairman, was that I accepted the gentleman's challenge about staff, as the gentleman knows.

Mr. MAHON. That is correct.

Mr. RIVERS. I just wanted to be certain. I do agree with the chairman, that he does have one of the finest staffs.

Mr. MAHON. We do, and the other committees, including the Armed Services Committee, have able staffs. The staffs of the various committees are very important to the welfare and work of the Government.

Mr. RIVERS. I believe the gentleman has a magnificent staff. There is no question about that.

I want to ask the gentleman about nuclear propulsion for ships. Do we properly take care of the nuclear propulsion for surface ships? What about the two DLGN's which our committee inserted to give this country surface nuclear propulsion?

Mr. MAHON. We agreed with the gentleman's committee as to the requirement for nuclear powered guided missile frigates. With respect to these nuclear frigates, we fully fund one, and we provide $20 million for long leadtime items for the other, which in the judgment of the committee will in no way defer or delay these important ships.

Mr. RIVERS. What does that mean in terms of numbers of ships? Last year we funded one, this year we have funded another. That makes two. Then the gentleman appropriates for long leadtime items for one more ship? Is that correct?

Mr. MAHON. That is what we have done.

Mr. RIVERS. So the gentleman's committee has satisfied the authorization?

Mr. MAHON. Yes; we have in that we have fully funded one nuclear powered frigate and provided for long-lead-time procurements for another. This will provide for an orderly procurement program. The gentleman is correct.

Mr. RIVERS. Two ships including one with long leadtime items. I want the Congress to understand that we have now four of the nuclear surface ships. Four is all we possess. This will give us six, and with long leadtime items for one more. The strongest nation on earth will have only the capacity for seven surface nuclear ships. This is so ridiculous that it is ridiculous. It is so disgraceful that it is disgraceful.

Mr. MAHON. There is considerable controversy between the executive and the legislative branches as to the nuclear powered ships, but we have funded in whole or part, all of those authorized.

PROCUREMENT OF ADDITIONAL AIR FORCE AIRCRAFT

Now, in this bill, in addition to the nuclear ships about which we have had colloquy, there are funds provided above the budget for additional airlift aircraft, the C–130 airlift aircraft; and $12.5 million for the C–7 Caribou aircraft. We have provided for additional aeromedical evacuation aircraft.

We provided $25 million above the budget for development of a new long-range bomber, the followon to the B–52 called AMSA.

REDUCTIONS BELOW THE BUDGET ESTIMATES

Now, as to the decreases, and I will only cover them very rapidly here they are detailed in the table I inserted earlier, $467.7 million in decreases results from the failure of authorization. That includes funds requested for conventional destroyers and for fast deployment logistic ships. They were eliminated from our consideration for lack of authorization.

Then we reduced certain funds because we thought that some of the programs were overfunded—not that we were against the programs, but we thought they were overfunded.

I would remind my colleagues, if anyone thinks we have been niggardly in this bill—which we have not—that if we pass this bill and it becomes the law, the Department of Defense will have available to it for the next fiscal year the total sum of $114 billion for the functions covered by the bill. That is the sum of $43.7 billion in carryover funds and the $70.3 billion in funds carried in this bill.

We made a reduction in the F–111B program, the Navy version of the F–111, in the sum of about $78 million. We did it in large measure because test aircraft No. 4 crashed, and this delayed the program. Instead of funding 20 of these Navy planes as requested, we would fund 12 in this bill.

We made some reductions in various programs otherwise, some on permanent change of station travel, some on research and development, and some on the support of the Eastern Test Range, and on other matters.

We made total reductions in the amount of $1,692.8 million, and we made increases in the amount of $404 million, making a total decrease in the budget estimates of $1.3 billion, as shown in the excerpts from the report which have been inserted in these remarks.

CIVILIAN EMPLOYEES

I believe it would be well to talk a bit about civilian employees. There was a request for approximately 50,000 additional civilian employees. About 17,000 plus were requested as substitutes for military personnel needed in Vietnam and elsewhere. The others were for general utilization in the Department of Defense.

We made a reduction of 18,150 employees from the budget estimates.

ANTIBALLISTIC MISSILE PROGRAM

I should mention the antiballistic missile program, which is the most expensive program, in many ways, confronting the Nation within the Defense Department. Prior to this year, we had appropriated $4 billion for research and development on ABM systems, including the Nike X, the Nike Zeus, or any concept involved in defense against the ballistic missile. Last year, we provided $600 million for the ABM. This year we are providing in this bill something over $700 million. In the military construction bill other funds will be considered.

We have provided the amount of the budget estimate for the ABM, except for $11 million. We made a reduction of $11 million in the ABM program because witnesses testified, upon inquiry, that there was $11 million which could not be used during fiscal year 1968 as a result of the fact that no final decision had been made toward deployment of the ABM system.

I should like to make reference to the fact that some complain there is no declaration of war between the United States and North Vietnam. There are several philosophical positions on this subject. Probably the course which we are following gives us more flexibility, and it is more adaptable to the requirements.

But I would say that the passage of this bill today will unequivocally establish the fact, in my judgment, that the House of Representatives is in support of the war effort in Southeast Asia, because if we vote for this bill we will vote for approximately $20 billion to carry on the war. I would estimate that probably 99 percent of the Members of the House will vote for the bill. The world

should interpret this, friend and foe alike, as in evidence that the elected Representatives of the people in the House of Representatives are in support of the prosecution of the war for freedom in Southeast Asia.

I would say further that in previous bills, most recently in the supplemental bill for Vietnam of $12 billion, we have expressed our support of the war effort. It is not that we are entirely happy with the progress of the war, or all of the tactics being followed, but we are in support of the overall objectives of the nation.

I think, then, unless there are some special questions, this is about as much as need be said at this opening of the debate on this bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding. I think that the committee ought to be commended for having rejected the demands for a most substantial increase in civilian personnel. I think the committee should also be commended for taking note of the overlapping and duplication of certain training of civilian employees. Whatever else I may have to say about the action of the committee, I do want to commend them in regard to those things about which I have just spoken.

Mr. MAHON. I thank the gentleman for those comments.

Mr. GROSS. May I ask the gentleman this question: I do not want to go over a lot of figures. The gentleman read them off rather rapidly. Some of them are astronomical. But do I understand now that the total bill this year, when everything is totaled up, will be somewhere in the neighborhood of $163 billion, or was it $141 billion that the gentleman gave?

Mr. MAHON. The gentleman now is not discussing defense only but the overall budget?

Mr. GROSS. The overall budget. I should make that plain.

Mr. MAHON. The $163 billion figure is the probable, or now indicated overall total budget estimate of appropriations for the year, including the fiscal 1967 supplementals of some $14.4 billion which we have already had. These, of course, included the $12 billion plus for Vietnam, and the total also includes some $15.2 billion of so-called permanent appropriations—mainly interest on the debt—that must be counted in the totals but which will not come before us for a vote.

Mr. GROSS. So the funds that carry over from the two supplementals already approved in this session of Congress are taken into consideration in the figure that the gentleman gave us with respect to this bill, or are they excluded?

Mr. MAHON. The defense portion of those are included in the total defense expenditures. They are not included in the $70.3 billion.

Mr. GROSS. They are not included in this bill?

Mr. MAHON. No.

Mr. GROSS. I thank the gentleman.

I have one other question. Can the gentleman give us an estimate of the monthly cost of the war in Vietnam as of this time?

Mr. MAHON. I would say that if you would divide 12 into about $21 billion, you would have something in that general area.

Mr. GROSS. I was under the impression some time ago that the total rate of spending in Vietnam for the conduct of the war was some $2 billion a month. Somewhere I seem to recall a figure of between $4 billion and $5 billion which was expended in the war in the month of March. I can understand in some months there could be an increase.

Mr. MAHON. The gentleman knows that even with all of the computers in the Government, it is impossible for anyone to determine just what spending should be assigned to Vietnam in every case and what should be assigned generally to the overall defense program of the country.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Florida.

Mr. SIKES. I think it would be helpful to point out in connection with the cost of approximately $25 billion in the last fiscal year there were some one-time build-up costs and construction costs that will not have to be repeated during the current fiscal year. Hopefully this year the cost may be less.

Mr. GROSS. I see. I thank the gentleman for yielding.

Mr. LIPSCOMB. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at the outset I would like to join the chairman of the Committee on Appropriations and the chairman of the Subcommittee on Defense in commending the work of our staff and the other committee members with whom I serve.

Mr. Chairman, the distinguished gentleman from Texas [Mr. MAHON], chairman of the Committee on Appropriations, has presented to the Members of the Committee an excellent report on the bill.

Mr. Chairman, the bill before the House of Representatives today, H.R. 10738, will provide appropriations of new obligational authority in the amount of $70,295,200,000 for the Department of Defense for fiscal year 1968. This bill provides appropriations for the regular military functions, including our Nation's military assistance related to the conflict in Southeast Asia. The bill does not provide for other military assistance, military construction, military family housing, or civil defense. These other requirements are considered in other appropriation bills.

The fiscal year 1968 defense budget request as submitted to the Congress by the President was $71,584,000,000. The Appropriations Committee, after lengthy hearings and after exploring all the categories of our military programs, found it necessary to make some additions to and reductions from the President's request.

The committee total program recommended additions above the budget are $481.4 million, of which $77.4 million will be financed from available funds making the total net appropriations above the budget $404,000,000. The total committee reductions to the budget amount to $1,692,800,000 for a net reduction to the President's budget request of $1,288,800,000.

It must be emphasized that where reductions were made they will have no adverse effect on our ability to carry out our activities in Southeast Asia.

Funds are deleted when in some instances it was determined the purpose, in the committee's judgment, for which they were requested were not needed. Other reductions were made mandatory by program exclusion from the authorizing legislation and other reductions are related to program changes.

The additions to the budget were made necessary because the committee has taken the position that certain of our military capabilities should not be reduced during the coming fiscal year as recommended by the Secretary of Defense and we have added amounts for other items which were authorized and known to be needed but not requested by the Secretary of Defense.

The bill before us is of great importance in that it represents in dollars over one-half of all budgeted activities of the U.S. Government for the 12-month period beginning July 1, 1967.

Funds provided in this bill will affect directly or indirectly the daily activities of probably every American and every American institution, both public and private, in the coming 12-month period and in the period beyond.

Though it is difficult to comprehend fully the magnitude and complete significance of all aspects of this fiscal year 1968 appropriation for the Department of Defense, what can be easily comprehended is that these funds are vital and they are necessary to serve and preserve the vital interests and purposes of our Nation.

Some of the items in my opinion possibly could have been higher, others lower. But the bill represents the combined judgment as to the appropriate amount that should be provided. I support H.R. 10738 as reported by the committee.

Mr. MINSHALL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Sixty-three Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 133]

Abbitt	Dowdy	Railsback
Anderson, Tenn.	Eckhardt	Reid, N.Y.
Arends	Fuqua	Resnick
Ashley	Gubser	Ruppe
Ayres	Hays	St. Onge
Bell	Herlong	Sisk
Carter	Hosmer	Smith, N.Y.
Celler	Howard	Steiger, Ariz.
Clark	Ichord	Teague, Calif.
Conyers	Irwin	Thompson, N.J.
Corman	Jones, Mo.	Widnall
Cowger	Kelly	Williams, Miss.
Davis, Wis.	McEwen	Willis
Diggs	Mathias, Calif.	Young
Dow	Pelly	Younger
	Pool	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 10738, and finding itself without a quorum, he had directed the roll to be called, when 384 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from California [Mr. LIPSCOMB].

Mr. LIPSCOMB. Thank you, Mr. Chairman.

Of immediate concern is the war in which we are engaged in Southeast Asia. Defense expenditures contained in this bill which are attributable solely to Southeast Asia operations are impossible to determine precisely. Although the administration estimated that about $20.3 billion of the budget will be required for the war, the question properly asked is: Will that be enough? The actual costs could well be running to a magnitude of $25 to $30 billion or more per year.

The Defense Appropriations Subcommittee has taken every opportunity to assure that every program directly related to our Southeast Asia operations is adequately funded.

Even though the Secretary of Defense at the hearings stated that the war has been adequately funded, his statements were made several months ago and it is now becoming increasingly clear that the administration may again have to come to the Congress with a defense supplemental request for fiscal year 1968. Recent statements by administration spokesmen, including the President, made after our hearings had concluded, indicate to me that the administration may have once again delayed a decision to realistically fund the war effort.

It is not appropriate to provide sums in the bill as "blank check" amounts without first having Defense witnesses justify the purposes and needs for funds. Therefore, if for any reason increased funds are needed the administration should come forward with a funding request without delay. The President and the Secretary of Defense should submit such estimated funding needs before action on this bill is completed by the Congress.

The tremendously expensive Southeast Asia military operations are having a direct, and in some instances an adverse effect, on some facets of many of the defense programs which are in the budget before us. It cannot be otherwise when one-quarter or one-third of the budget and perhaps a like amount of our military combat units are directly involved with that war. If priority programs in this budget, not related to the war, are known to be in need of funds Congress should also be informed of such needs.

I have directed these comments to the war in Southeast Asia in order to point out that although it is true that this defense budget is the largest ever proposed since World War II, the dollar figure by itself can be a dangerously misleading indicator of the degree of security it provides both for today and for the future.

Today this Nation possesses in total the most powerful military might in the world. But we must remind ourselves of that which our enemies know well. Today our military resources may well be stretched thin and the Department of Defense should evaluate the adequacy of its resources. In this regard the testimony before the committee indicates a need for concern.

For example, General Greene, Commandant of the Marine Corps, said on March 16, 1967, in response to a question about the deployment of additional troops to Vietnam:

> Our present situation is this: We have some 73,000 Marines ashore in South Vietnam today. We are unable to deploy additional troops and at the same time to maintain our rotation base and also to be ready to handle other contingency requirements, for example, in the Caribbean, Mediterranean, and Europe.
>
> If we were to deploy additional units, which of course we could do very rapidly, in order to maintain them in the Western Pacific we would have to mobilize.

Statements such as these indicate the seriousness of the situation we face today and the need for constant attention by the Congress to military capabilities and plans.

COMMITTEE APPROACH TO THE BILL

The committee report on the Defense appropriation bill before the House today is a comprehensive document which should be read and studied carefully by every Member of Congress.

It discusses broad areas relating generally to the management and administration of the Department of Defense and the defense programs which are of concern to the committee.

One of the broad areas where reductions are recommended relates to studies and analyses. The committee is concerned about the upward trend in expenditures in the Department for studies and analyses on many nontechnical matters. Sometimes studies are contracted for which are not really needed or used. Sometimes it appears studies are resorted to as devices which delay and defer decisionmaking.

As discussed in the report, though it is recognized that there is a need for outside studies in some cases, if Federal personnel cannot operate without the help of outside studies and reports, they could be replaced with personnel who can. The committee has therefore reduced the budget request amounting to $22.4 million for management studies and studies and analyses.

The committee also deleted funds for the so-called resources management system. This action, again, was taken only after the matter was thoroughly studied, weighed, and evaluated. While it is perhaps true that significant changes should be made in the budgeting and accounting system of the Department, it was the considered opinion of the committee that placing this system into effect as planned could bring about massive change which to some extent would temporarily diminish congressional control. Also it could produce inflexibility of program structure. As pointed out in the report, the Department could perhaps conduct more extensive tests than those already conducted to determine the merits and feasibility of the program. The report indicates that the committee would not object to further testing of a new system provided the breadth of the test does not exceed one major command per military service. The budget reduction pertaining to the resources management system in the bill amounts to $52.7 million.

The committee also took note of potential problems in the area of fiscal management relating to carryover funds for various items of procurement and research, development, test, and evaluation. Funds for such projects generally are made available until expended because often the timing on such items is not known or there are other uncertainties or complications. This is certainly understood. But this also means that unexpended funds carried over can and do accumulate. As stated in the report, the accumulation and continuation of large unobligated balances is an indication of poor management and could threaten congressional control of the appropriation process.

The committee has emphasized that a constant review must be maintained and funds recouped where no longer needed for their original purposes. Reductions have been made in various accounts totaling $251 million because of the committee's assessment as to the availability of accumulated funds that can be recouped in lieu of new appropriations.

The number of civilian employees in the Department of Defense has been increasing sharply. The increase is out of proportion to the demands placed upon the services by Southeast Asia operations in the opinion of the committee. The bill therefore contains significant reductions in the funds requested for new personnel. For fiscal years 1967 and 1968 the average increase in civilian personnel in the Defense Department is 171,905. Of this, 75,000 are related to the civilian-military substitution programs, under which certain positions staffed by military personnel are being filled by civilians. The remainder, however, about 96,400, are new positions. The Department estimates that of the total amount an increase of 49,439 is for fiscal 1968. The bill recommends an overall reduction of 18,150 civilian positions, which represents a reduction of 36.7 percent of the increase requested for fiscal year 1968. The reduction is not related to the civilian-military substitution program. Its purpose is to cut back on the huge increases the Department is proposing for its work force and to help reverse the trend toward undue growth of Federal agencies.

The action deemed necessary by the committee in these and related activities indicates in my opinion the need for improved administration and programs in many areas throughout the Department of Defense.

A summary of additions and decreases made by the committee follows:

[In millions of dollars]

ADDITIONS

Continuation of B–52 strength	11.9
Continuation of Air Force Reserve components airlift capability:	
Appropriation increase	12.1
(Within available funds)	(14.4)
EA–6A aircraft	106.7
A–6A modifications (within available funds)	(30.0)
DLG(N), full funding one nuclear powered guided missile frigate	114.8
DLG(N), advance procurement	20.0
C–130 airlift aircraft	60.0
C–7 Caribou aircraft	12.5
CX–2 aeromedical evacuation	16.0
Aircraft modification in support of future Southeast Asia requirements	25.0
ASW (fund highest priority items within available funds)	(33.0)
AMSA (in support of authorized program)	25.0
Total program increases	481.4
Less financing from available funds	—77.4
Total appropriations recommended above budget	404.0

DECREASES

Fast deployment logistic ship, program failed of authorization	301.0
Recoupments of excessive unobligated balances	251.0
Conventional destroyers, failed of authorization	166.6
Civilian employment	136.0
Multiservice aircraft, support procurement	125.0
F–111B program stretchout	78.2
Technical manuals and data	75.0
Tactical and support vehicles, including autos	55.8
Resources management system	52.7
Airlift commercial rates (new CAB authorized)	48.9
AID/DOD realinement of Southeast Asia functions	47.4
Contract termination charges, funding policy on	46.9
Permanent change of station travel (Army)	44.0
Revised ship conversion program	42.1
Research, and Federal contract research centers	22.8
Management studies, studies, and analyses	22.4
Support of Eastern Test Range	15.0
Army overcoat material	14.6
Boards of Civil Service examiners	8.9
All other	138.4
Total reductions in appropriations below budget	1,692.8
Net reductions in appropriations below budget	1,228.8

NEED TO EVALUATE MANAGEMENT OF DEFENSE DEPARTMENT

The responsibility for managing our Defense Establishment is an awesome responsibility. This Nation must be grateful that there are always those who are willing to come forward and shoulder that responsibility. Recognizing the magnitude of the managerial responsibilities and services rendered does not preclude the requirement to evaluate the past and present performance of that management.

It is the task of any management to make decisions and the success or failure of management is reflected by the results. Decisions made today by the Department of Defense will determine our military capabilities and the Nation's welfare tomorrow.

The performance of the DOD management, therefore, must be evaluated in terms of our military posture—in terms of our military capabilities to influence actual and potential events such that the interests of this Nation are protected and advanced. If our interests are anywhere not protected because of the lack of a capability to exert military superiority, this then would reflect adversely on the management of our Defense Establishment.

STRATEGIC ADVANTAGE

The overall power advantage which a nation holds over its enemies and which enables it acting alone or in concert with its allies effectively to control the course of military and political situations is its "strategic advantage."

We must be concerned with what is happening to our Nation's strategic advantage.

Although our military posture is built around many varied forces, it is the forces which serve primarily for strategic purposes which make the greatest apparent contribution toward achievement of strategic advantage. In the budget structure they are called the Strategic Forces.

STRATEGIC FORCES

In the Strategic Forces there are offensive forces such as land- and sea-based ballistic missiles, bombers, missiles launched from aircraft, and reconnaissance elements. The defensive Strategic Forces consist of such items as manned interceptor aircraft, surface-to-air missiles, warning, surveillance, and control systems.

If our Strategic Forces make up the largest part of our military posture which are needed for our national security, the question which must be asked is: Should we permit the Soviet Union or any other nation to acquire a capability greater than our own in any element of the Strategic Force structure?

Should there be any doubt that America must possess strategic advantage if our vital interests and purposes are to be served and preserved? If there are any reasonable doubts whatsoever of the extent of Soviet or any other nation's strategic capabilities, should not those doubts be resolved by positive decisions which favor our own capabilities? The management of our Defense Department has been asked these questions in many ways on many occasions.

For instance, Secretary of Defense McNamara, on March 6, 1967, was asked if there could be any reasonable doubt as to the extent of the intercontinental ballistic missile capability of the Soviet Union, even if we credit the Soviets with the capability to deceive our intelligence gathering means. The Secretary, in reply, expressed his belief that our intelligence estimates could be off but only slightly. Though the remainder of his response was classified, a significant insight into some of the disagreement that exists on this point was provided when General Wheeler, Chairman of the Joint Chiefs of Staff, was asked to comment on the Secretary's response. General Wheeler said:

As a matter of fact, I am not in full agreement with what the Secretary said. There are several things which I believe worthy of comment. First, the Soviets are, as shown in the last year, increasing very substantially their deployment of hardened ICBM's. I said in my statement on the ABM that the Joint Chiefs do not know whether the offensive and defensive buildup of the Soviets indicates they are seeking strategic superiority or strategic parity.

DECISIONS AFFECTING STRATEGIC FORCES

Several instances can be cited which indicate the adverse effect on our Strategic Forces due to Defense Department decisions.

The manned bomber aircraft, such as the B–52, is an element of our Strategic Offensive Forces. It is capable of carrying nonnuclear as well as nuclear payloads. The requirement for that type aircraft is well established. Yet, in this past year three B–52 bomber squadrons were phased out at an accelerated rate, even though the Congress last year specifically provided for the continued operation of these squadrons through fiscal year 1967.

And unbelievable as it may seem in view of the significance of the B–52 to our Strategic Forces and the action taken by Congress last year, the President's budget as presented to the committee this year again called for a phase-out of another three squadrons.

The committee has added funds to the bill to continue the B–52 bomber force at a level of 600 aircraft.

It is essential that an advanced manned strategic aircraft—AMSA—be available as a replacement for the B–52 which is aging and is no longer in production. Yet the Office of the Secretary of Defense reduced by $25 million the funds which were requested by the Air Force for fiscal year 1968 and which are required in order to move ahead with the AMSA. The go-ahead for the continued AMSA development must be given so that the operationally capable aircraft will be available when it is needed. The committee deemed it necessary to again emphatically support AMSA at a higher level and $25 million was added to this bill. The bill makes $51 million, the $26 million requested, and the $25 million added, available only for the AMSA program.

The Congress 1 year ago provided $55 million above the budget estimate to maintain a production capability for the F–12 long-range interceptor aircraft, the most sophisticated fighter-interceptor there is in the world. As stated in the report on the Defense appropriation bill for fiscal year 1967, those funds were added because such action was deemed desirable for our military security. Those funds to this day have not been released to the Air Force by the Office, Secretary of Defense. Failure of the Secretary of Defense to allocate the funds in a timely way for F–12's has already resulted in a loss of the option to keep the production plant warm. This, in turn, has caused a serious delay in the available operational date of the aircraft and it is evident there will be need for an increased amount of funds in order to start up the production plant when a decision is finally made.

As in the case of AMSA, the delay in the go-ahead for the interceptor aircraft by the Defense decisionmaking process

could create a gap both in capabilities and in numbers of our aircraft.

Our antiballistic missile system—ABM—program is another example involving a strategic force of where funds added by the Congress have not been effectively utilized.

The Soviets have been building and deploying their ABM system for some time and the administration policymakers have known of those Soviet activities.

And, as to offensive missiles which could be used against us, General Wheeler pointed out that the Soviets are increasing very substantially their deployment of improved ICBM's, while the Secretary himself told the committee it is believed that Red China too is pursuing its nuclear weapons and ballistic missile programs with high priority.

The arguments which favor a go-ahead decision are well known and they in my opinion are sound. There is almost unanimous agreement by our top military leaders and other responsible American officials that this Nation must have an antiballistic missile system. A decision is needed which will keep us moving at least enough to stay even with and perhaps catch up to the Soviets.

Gen. Harold Johnson, Chief of Staff of the U.S. Army, expressed his feelings to the committee on March 10, 1967, on the need to begin immediate deployment of an ABM. General Johnson said:

> Now, one cannot argue against discussing the issues that are to be discussed with the Soviets, you cannot argue that at all. However, the uneasiness that I feel is basically this: When do we stop discussing and when do we reach a decision point?

The Chairman of the Joint Chiefs of Staff this year again firmly and strongly stated the position of all members of the Joint Chiefs of Staff who have for years unanimously supported the position that this country should now proceed to deploy Nike X. The Joint Chiefs' recommendation is based on the requirement to maintain the total strategic nuclear balance clearly in favor of the United States. Up until this moment no decision has been made to begin deployment of an ABM system.

General Wheeler once again presented the cogent reasons which compels this Nation to proceed with no further delay. He reminded the committee of the information from the intelligence community, and made public in the last year, that the Soviets are deploying one and possibly two ABM systems. He disclosed that the intelligence community also believes the Soviets will probably extend and improve their ABM defenses over the coming years and he stated the Soviets have accelerated the deployment of hardened intercontinental ballistic missiles.

General Wheeler gave this assessment to the committee on March 6, 1967:

> The Joint Chiefs of Staff don't know whether the Soviet overall objective is strategic nuclear parity, or superiority. In either case, we believe that their probable aims are one or more of the following.
>
> First, to reduce the United States assured destruction capability—that is, our ability to destroy their industry and their people.
>
> Second, to complicate the targeting problem which we have in directing our strategic forces against the Soviet Union.
>
> Third, to reduce U.S. confidence in our ability to penetrate Soviet defenses, thereby reducing the possibility that the United States would undertake a preemptive first strike against the Soviet Union, even under extreme provocation.
>
> Fourth, to achieve an exploitable capability, permitting them freedom to pursue their national aims at conflict levels less than general nuclear war.

It should be remembered that those words are the combined judgment of all of the highest ranking military leaders of our Nation.

The statement clearly tells us the Soviet overall objective is to achieve strategic nuclear parity or superiority over the United States. It gives clear indication that the Soviet decisionmakers long ago concluded it is to the Soviet's interests to expand Soviet defensive and offensive deployment.

While doubts arise concerning our strategic advantage, the Soviets are decisively building their capabilities thus "permitting them freedom to pursue their national aims at conflict levels less than general nuclear war."

Congress has repeatedly made its position clear on various of our pressing national needs in these and other defense areas. It has done so in the hearings and in reports and by congressional action. Frequently funds have been added for specific items where it was the judgment of Congress that increased funding was called for. While we can and do supply funds and strongly recommend action, the Secretary of Defense on numerous occasions has completely refused to put the funds to use for the stated purpose. In the interest of our national security it is vital that Congress continue its efforts to see that needed programs are advanced and funded.

AIRLIFT OF THE AIR FORCE RESERVE COMPONENTS

As the buildup in Vietnam developed, the Air Force Reserve and Air National Guard were requested by the Military Air Command to help meet our air transport needs. They responded effectively and well, providing many thousands of flying hours and thousands of tons of transported cargo to Vietnam and elsewhere. The Air Guard and Reserve continue to make this valuable transport contribution to our national welfare.

In spite of this the Defense Department last year attempted to phase out three airlift units of the Air National Guard. The units which it attempted to inactivate are located at White Plains, N.Y.; Pittsburgh, Pa.; and Van Nuys, Calif.

The Defense Department again attempted to inactivate those units and it also scheduled for phaseout during the final quarter of fiscal year 1968 the unit at Homestead, Pa. These four units last year produced a total of 18,125 productive flying hours, flying a total of 16,014,673 ton-miles. The Defense Department also planned to phase out eight Air Reserve airlift units during fiscal year 1968.

Obviously these and other airlift units are making a very meaningful contribution to our effort in Southeast Asia. They are also a valuable source of training and a valuable source of trained personnel for any emergency situations.

It was known at the time the 1967 Defense supplemental appropriation bill was under consideration that the Defense Department planned to inactivate the three units by July 1, 1967. It was clear that moves to put the inactivation into effect, such as issuing termination notices to personnel or reassignment of aircraft, would have had to begun some time ago, very likely before action would be completed on this regular Defense appropriation bill which is now before the House. For that reason the Supplemental Defense Appropriations Act, 1967, which was approved on April 4, 1967, contains provisions requiring that not less than 40 Air Force Reserve troop carrier and airlift groups and not less than 25 National Guard airlift groups shall be maintained during fiscal year 1968. The effect of this is to maintain the airlift groups at their present level.

The bill before us provides $26.5 million—$12.1 million in appropriations and $14.4 million in available funds—for continuation of Air Force Reserve components airlift capability as called for by Public Law 8, 90th Congress, the 1967 Defense supplemental appropriations bill.

RETENTION OF B–52 AIRCRAFT

The committee has provided funds amounting to $11.9 million over and above those requested in the budget in order to provide for the continuation of 600 B–52 aircraft in fiscal year 1968. The amount provided is based on the further continuation of this number into fiscal year 1969.

As proposed in the Defense budget, this represents yet another area where action was taken contrary to the express direction of Congress and which would reduce our defense capabilities. Last year, in response to a proposal to phase out three B–52 squadrons from the fleet, Congress added $6 million to the Defense bill specifically pointing out that the additional funds were to maintain the B–52 fleet at 600 aircraft. In spite of this, however, the Defense Department proceeded with a modified phaseout of 45 B–52's, placing 20 in storage and 25 in what it termed a ready status.

In view of the obvious need for bomber aircraft capability and the fact that Congress took special care to emphasize our need in this area in connection with the Defense appropriation bill last year, it is highly disturbing that this phaseout should have been carried out even in a modified way. It is even more disturbing that for fiscal year 1968 the Department of Defense has come to the Congress with plans—to phase out an additional 45 B–52's. Fifteen would be placed in mothballs and 30 in units in ready status.

Certainly the situation in the world today shows a great need for keeping our strategic bombing force at as full and complete a level as possible.

The B–52 can play a most significant part in the case of airborne alerts of our Strategic Air Command. Airborne alert is a unique method of providing a show of force during periods of crisis with a portion of our nuclear capable forces. At the time it is in operation, those aircraft airborne are not subject to a surprise attack from either intercontinental or submarine-launched ballistic missiles. As

such, they constitute a force capable of immediate attack, if required.

We do not know what kind of engagement we would be called upon to fight in the future. For this reason we must maintain our best options against a threat we cannot predict with certainty. As we have seen in the case of Vietnam and other areas it is to our benefit to have flexibility in our operational capabilities. Our goal must be decisive strategic superiority.

The B–52 is also of importance to the Air Force in meeting its collateral responsibilities such as conducting antisubmarine warfare and protecting shipping, interdicting enemy seapower through air operations, and in laying mines from the air. These are missions of obvious far-reaching importance and the B–52 is necessary to help fulfill these responsibilities.

It is vital to retain the B–52 highly trained efficient crews together so that they would be available should the situation call for their service. The Department of Defense however, in addition to going ahead with the inactivation against the express direction of Congress, actually accelerated its phaseout schedule from the fourth quarter of fiscal year 1967 to the third quarter in order to finance additional civilian personnel authorized by the Secretary of Defense and in order to make additional pilots and other personnel available elsewhere.

PILOT SHORTAGE

Personnel is the most important asset of our military services. Yet the budget and testimony throughout the hearings concerning the management of personnel resources in the Defense Department depicted what to me seems an incongruous situation. The budget requests an increased number of civilians on the payroll while the services have been denied the numbers of military personnel which they had requested. And this while we are at war.

For example, the Air Force request for military personnel was reduced by almost 26,000 by the Office of the Secretary of Defense. With that action the Defense Department is actually planning a net reduction of 11,500 in the military personnel strength of the Air Force in the coming 12 months. On the other hand, the DOD planned to increase the civilian strength of the Air Force by 5,863 during the same period of time.

It was in the category of military personnel available to fly aircraft, however, that the most glaring example of acts of omission or commission in personnel management were revealed. Each of the services—the Army, the Navy, the Marines, and the Air Force—are short pilots.

The pilot situation in many instances is serious. Since it takes many months to train a pilot, this shortcoming will not be rectified soon and it is obviously the result of an accumulation of past actions compounded by 2 years of war in Southeast Asia.

The hearings revealed the office of the Secretary of Defense disagreed with an Air Force request to increase its pilot production rate. As a consequence, the total number of pilots by which the Air Force requested to increase its previously approved pilot production program was reduced by 376.

The OSD disagreement with Air Force pilot training needs was particularly evident as concerns Air National Guard pilots for which the Air Force requested 299 pilot training spaces. This request was denied and the Guard was left with 145 spaces—the same number it had previously. This in spite of the fact that the increased pilot production is needed now by the Guard to meet the forced attrition losses which it can foresee occurring 2 years from now. This, also in spite of the fact that the Air Force pilot training course to which Guardsmen are sent, is the only reliable source of Air National Guard pilots.

The Chief of the National Guard Bureau believes that a lack of Air Force training facilities is the reason pilots cannot be trained at the rate requested.

The Army, too, is in critical need of aviators. Its shortage is of several years' standing and it will not meet its flight training program objectives for some time into the future. Testimony of Army witnesses shows that the Army requested a training rate of 800 pilots per month. The OSD cut that rate to 610 per month.

Admiral McDonald, Chief of Naval Operations, stated the Navy's case this way on March 15, 1967:

> We do have urgent pilot needs brought about by low pilot training quotas in the early sixties and by the severe pilot retention problems we face today.

More detailed information presented the committee reveals that the shortage of Navy pilots will become increasingly severe. The shortfall of pilots in the coming year is expected to reach almost 2,700 and regardless of whether the Southeast Asia war ends or not it will take 3 or 4 years to overcome the pilot shortage in the Navy.

Present capabilities for training Navy pilots are taxed to the limits. The Navy cannot train them at a rate greater than now planned because of the overload to its training command. According to Navy Capt. W. R. Flanagan of the Bureau of Personnel, the Navy's capacity to train pilots is limited by its limited physical plant, by its limited number of trainer aircraft, and by its shortage of instructors and maintenance personnel.

The Marine Corps estimates its pilot shortage now at approximately 850 and that this shortage will grow to over 1,000 in the coming year. It was revealed at the hearings that the Marine Corps was unable to go to a wartime pilot manning level in South Vietnam. Incredible as it may seem the marines are fighting a war using peacetime pilot manning levels.

The committee provided in full the amount of funds requested by the Defense Department for aircraft pilots. This includes flight pay and other related personnel costs, training programs, flying hour programs, and so forth.

In the time since the hearings concluded the Air Force announced a program of "selective retention" which apparently is based in part on its need for pilots. However, it seems to me that the pilot shortage problem is one which probably will require additional action by each of the services. If there is a need to open additional training bases or a need for additional trainer aircraft or for any other reason additional funds are needed, I feel certain those funds will be provided by the Congress once the Department of Defense comes forward and makes known those needs.

THE NAVY VERSION OF THE TFX AIRCRAFT, THE F–111B

The F–111B aircraft which the Navy is trying to satisfactorily develop is an outgrowth of the TFX program which was established with the insistence of the top level of the Department of Defense that both the Navy and the Air Force should develop an aircraft of common basic design. In the case of the TFX the Navy and Air Force versions have both suffered from compromise in performance by the emphasis on commonality.

Including the funds in this bill, over $5 billion will have been appropriated for all purposes for the various Air Force and Navy versions of the F–111-type aircraft and their associated systems.

The President's budget request included $418.1 million for R.D.T. & E. and procurement of a Navy aircraft and missile weapon system which is known as the F–111B/Phoenix system.

Because so many years have now elapsed since its need for such a weapons system was first conceived, the Navy, this past year restudied what its requirements might be.

The Navy, by its study and examination of all available evidence this past year confirmed that the Soviets might possess a highly sophisticated threat capability against the fleet by the mid-1970's. The study indicated that the developing F–111B/Phoenix system will meet the Navy's needs for the mid-1970's if the system's performance matches the performance assumed in the study and if the aircraft can meet the Navy's carrier suitability requirements.

It is increasingly apparent that the Navy F–111B was the most ill-advised undertaking to come out of the TFX program which is now over 5 years old. The Chief of Naval Operations, Admiral McDonald, told the committee that if it were possible to start over again he would not follow the course established by the Defense Department. The Admiral testified:

> I would have designed a plane giving full consideration to the weight limitations that are imposed upon operations from an aircraft carrier.

As of early this spring the Navy had five research and development F–111B aircraft flying. Aircraft Nos. 4 and 5 had been put together in a laborious and expensive superweight improvement program. From flight tests of Nos. 4 and 5 the Navy hoped to obtain important information on the flying qualities, performance, and carrier suitability of its version of the TFX. Preliminary evaluation flights of those two aircraft began on March 16, 1967. Tragically, one of those planes, No. 4, crashed on April 21, which date was after the committee had heard most of the testimony concerning the F–111 programs. From the testimony a possible overall 2-year slippage in the program had been indicated. Unfortunately, the loss of the

No. 4 aircraft means there may well be as much as 6 months or more additional slippage to the date by when the Navy will find out if the aircraft it is attempting to develop will be satisfactory or not.

Four preproduction models of the F–111B—funded for in the fiscal year 1966 program—are scheduled for delivery beginning with No. 6 about 1 year from now. As of the time of the hearings, complete specification weight changes had not been determined but it was believed that the full package of weight changes would be incorporated in aircraft No. 7.

In addition to the weight problems there have been several other problems of continuing concern to the Navy and to the committee as the development and testing program unfolds.

For example, pilot visibility has been inadequate for safe carrier landing; the plane has been tail heavy and a more favorable balance needs to be achieved for carrier deck operations; and this Navy development aircraft has now grown tremendously in size.

Also, the need for an improved engine with greater thrust across the entire thrust spectrum has been determined. An improved engine is now in the development stage with a hoped for delivery schedule to begin early next year. Aircraft No. 8 would be the first aircraft to include all change for the new engine now required.

Also of continuing concern to everyone is the escalated cost figures. The original 1962 estimates for the Navy F–111B program was for a unit flyaway cost of $3.5 million. Program changes up to last year on the Navy's version have resulted in an estimated unit flyaway cost of $8.0 million armed with Phoenix missile system. Additionally, over the same time period the estimated cost for support equipment for each aircraft has increased to $3.0 million from $800,000.

As a consequence of these problems it is impossible for the Navy to determine whether or not the production aircraft will be something they consider satisfactory.

Clearly much yet needs to be learned in the test and development stage of the Navy's version of the TFX.

Admiral Bowen, Deputy Chief of Naval Operations for Development, testifying on April 5, 1967, said:

> We do not really know whether this plane [the F–111B] is satisfactory for Navy purposes as envisaged until we have completed the flight test of the plane incorporating the final configuration.

Because of the difficulties encountered which have led to slippages and slowdown in the program occasioned in part by the crash of one of the test aircraft, the committee determined it could not recommend the full $287 million budget request and reduced it by $78.2 million for the F–111B.

Further the bill contains a limitation which states that the $208.8 million recommended in the bill shall be available for the F–111B aircraft program only.

The committee took this action to keep these funds under better control of the Congress. If for any reason the F–111B program does not proceed in a timely manner or if it should be canceled because of all the difficulties being encountered, the Secretary of Defense could not reprogram or transfer these funds to some other program.

It is to be hoped that the Department of Defense will eventually come up with an aircraft which will meet the Navy requirements. Whether the aircraft which eventually develops will still be designated the F–111B is immaterial. What is needed by the Navy is an aircraft which can fulfill a Navy mission.

NIKE X

Including the funds in this bill, nearly $5 billion will have been provided by Congress for a ballistic-missile defense system. It is our Nation's principal effort to provide defense against attack by intercontinental missiles or missiles launched by submarines.

The committee is firmly of the view that funding is required to continue essential research, development, test, and evaluation of the Nike X system. There is little controversy concerning such R.D.T. & E. efforts and the bill contains $442 million for this purpose.

The question as to whether and when to begin deployment of the system is controversial and the committee noted the combined opinion of the Joint Chiefs of Staff which did call for immediate deployment. Over 3 months have now elapsed since the testimony was heard.

The Secretary of Defense on the other hand proposes that no action be taken to begin deployment of Nike X pending the outcome of discussions with the Soviet Union. The Soviets of course are capable now of directing ICBM's against us and are themselves building at least one and perhaps two ABM systems for their own defense. Last year, aiming at the deployment of an ABM system, the Congress added $167.9 million. Those funds were not used in fiscal year 1967. For initial deployment, the accompanying bill provides $298 million, which is in addition to the $168 million appropriated in fiscal year 1967 for this purpose.

In commenting on the reluctance to begin to deploy the Nike X system on the part of the administration, our committee report states:

> It would appear that the initiation of deployment of "light" or "thin" defense, now, may very well be a most useful first step toward whatever level of ballistic missile defense ultimately appears necessary.

In other words, the report, adopted unanimously by the committee, says: "Get going."

NUCLEAR ESCORT SHIPS

The Defense appropriation bill before the House shows the continuing strong support of the House Appropriations Committee for nuclear propulsion in our major surface warships and, of course, in our submarines.

The bill contains $134,800,000 for two nuclear-powered guided missile destroyer leaders. These ships are known as the DLGN. Of the amount appropriated, $114.8 million is for the full funding of one DLGN, and $20 million is for advance procurement for the second ship. I would personally prefer full funding for both ships.

The budget request of $166.6 million for escort vessels was for two conventionally powered destroyers. Authorization to construct such ships was denied however in the Defense Authorization Act of fiscal year 1968 and the two nuclear-powered escort vessels were authorized instead.

The action in this bill and in the Defense authorization bill represents meaningful progress in the long, continuing struggle toward gaining acceptance by the Defense Department of the concept of nuclear-powered surface ships.

At least four major fleet escort ships—destroyers or frigates—are assigned to each aircraft carrier. These escorts are designed to operate either on independent missions against enemy targets or as part of a coordinated protective screen to destroy enemy aircraft, missiles, submarines, and surface ships that attack the force.

The Department of Defense did not request any major fleet escorts in the fiscal year 1964, 1965, or 1966 shipbuilding programs. In the fiscal year 1966 program, Congress, on its own initiative, authorized $150,500,000 for a new nuclear-powered frigate—DLGN—appropriated $20 million for procurement of long leadtime items for this ship, and urged the Department of Defense to include the funds required for completion of this ship in the fiscal year 1967 budget request. The Department of Defense did not proceed with the procurement of long leadtime items, nor did they ask for funds for the nuclear frigate in the fiscal year 1967 budget.

However, the Department of Defense did ask for two nonnuclear guided missile destroyers in the 1967 program.

The fiscal year 1967 authorization act authorized the two nonnuclear guided missile destroyers, reauthorized one nuclear frigate, and authorized $20 million to be appropriated for procurement of long leadtime items for another nuclear frigate.

The House Appropriations Committee recommended that Congress appropriate funds for a nuclear frigate, and further recommended that funds not be appropriated for the nonnuclear destroyers. These recommendations of our committee were incorporated in the fiscal year 1967 Defense Appropriation Act. As the bill emerged from conference, money was provided to fund one nuclear frigate and provide funding for the procurement of long leadtime items for an additional nuclear frigate.

The fiscal year 1967 Defense Authorization Act included a provision that:

> The contract for the construction of the nuclear powered guided missile frigate for which funds were authorized under Public Law 89–37, and for which funds are authorized to be appropriated during fiscal year 1967 shall be entered into as soon as practicable unless the President fully advises the Congress that its construction is not in the national interest.

The Secretary of Defense has now released to the Navy the funds for construction of one nuclear frigate, the DLGN–36, but he has not released funds to initiate procurement of the long leadtime items for the second nuclear frigate.

In the fiscal year 1968 Department of Defense budget request the Secretary of Defense again requested two nonnuclear

destroyers, but failed to request funds to complete the second nuclear frigate. On May 23, 1967, both the Senate and the House accepted the conference report of the House-Senate Armed Services Committees on the fiscal year 1968 Defense authorization bill which provided that the two nuclear frigates be substituted for the two nonnuclear destroyers requested by the Department of Defense and agreed to a provision in the authorization bill that:

The contracts for the construction of the two nuclear powered guided missile frigates shall be entered into as soon as practicable unless the President fully advises the Congress that their construction is not in the national interest.

In its action on the bill before the House now, the House Appropriations Committee continues to support the position that we must have more nuclear-powered surface warships. Furthermore, it is clear that all future major fleet escorts should be nuclear powered.

The committee, as set forth in the report, expects the Department to proceed with the construction of the one DLGN, the advance procurement of the other, and to request funds for the construction of the remaining authorized DLGN in the fiscal year 1969 shipbuilding program.

The Department of Defense should proceed with the contracts for the construction of both nuclear-powered frigates in fiscal year 1968 as soon as practicable. We must get on with building more nuclear-powered surface escorts for our nuclear carriers.

This subject has been thoroughly, repeatedly studied and considered by responsible committees of Congress. The facts clearly support the action being taken by Congress to provide all nuclear-powered escorts for our nuclear-powered aircraft carriers.

SUMMARY OF THE BILL

TITLE I—MILITARY PERSONNEL

H.R. 10738 contains a total of $21,927,800,000 for military personnel. This is for pay and allowances for clothing, subsistence, permanent change of station travel, and other personnel costs. The amount in the bill is a decrease of $73.2 million below the budget estimates. A substantial portion of the reduction comes as a result of recently announced reductions in the rates for commercial airlifts. Another major portion of the decrease results from savings possible in Army travel costs as proposed in the budget.

Language in the bill provides for an average strength of the Army Reserve personnel of not less than 260,000 and not less than 400,000 in the National Guard.

TITLE II—OPERATION AND MAINTENANCE

Funds provided in the bill for operation and maintenance total $18,994,200,000 for fiscal year 1968.

This title covers generally the everyday expenses involved in running the Military Establishment, including force units in training and combat; medical care for personnel and their dependents; to operate logistics support systems; command controls; communications systems; dependents overseas education; for the support of free world forces in South Vietnam; and to operate base establishments in support of these functions.

The funds support an active inventory of 34,468 aircraft, 938 active ships, 204 service hospitals, 54 major service supply depots, the direct hire of 905,195 civilian employees, and support of 628 active military installations.

As proposed in the bill, the "Operations and maintenance" is reduced by a net amount of $352.8 million, none of which are directly related to our operations in South Vietnam. These include such areas as savings because of reduced commercial air carrier rates, a cutback in the amount of additional civilian employees requested, reductions in excessive management studies by independent firms, a holdup in the implementation of a proposed new resources management system, a reduction in the enrollment of the overseas dependents education program, and various other reductions.

TITLE III—PROCUREMENT

The total contained in the bill for procurement is $22,261,200,000. This is a reduction of $655.8 million below the budget estimates. Basically, the funding provided under this title is to allow the Defense Department to secure equipment and weapons systems.

For the Army $5.5 billion is contained in the bill to procure ammunition, weapons, and vehicles, aircraft, guided missiles and necessary supporting equipment. This includes funds for fixed and rotary wing aircraft, surface-to-air missile systems, for potential procurement of long leadtime components for missiles, radars and ground support systems for the Nike X antiballistic system, and surface-to-surface missiles. It provides funds also for such items as tracked combat vehicles, tanks, self-propelled artillery, and air defense guns.

For the Navy and the Marine Corps, $2.9 billion procurement funds are provided in the bill for fixed and rotary wing aircraft, missiles, and related equipment.

The sum of $1.42 billion is provided for the construction of 28 new vessels and conversions of 21. The types of vessels involved range from ballistic missile submarines, submarine tenders, nuclear guided missile frigates and destroyers to amphibious ships, minesweepers and patrol ships, and auxiliary craft. For other procurement for the Navy and the Marine Corps a total of $3,011,000,000 is provided for ordnance, weapons systems, communications and electronic equipment, ammunition, and other items.

The amount provided for Air Force aircraft procurement is $5.59 billion. This is for procurement of combat, airlift, trainer, helicopter and aeromedical aircraft, for modifications and support programs. $1.34 billion is contained in H.R. 10738 for the procurement of a variety of missiles, including ballistic, air-to-air, air-to-ground, and target drone missiles. Other Air Force procurement funds for munitions, vehicles, electronic and other supporting equipment totals $2.4 billion.

The Defense Supply Agency, the Defense Communications Agency, and other Defense-wide activities are funded at $40 million in the bill.

TITLE IV—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

H.R. 10738 provides $7.1 billion for research, development, test, and evaluation for the military services.

The funds included in this title are vital to our overall defense effort so that new weapons systems can be pursued aggressively and purposefully to maintain our military effectiveness.

The funds provided are to move ahead in such critical fields as the antiballistic missile, antisubmarine warfare, missile development, and a host of other projects throughout the services.

The amount provided represents a reduction of $171.2 million in the amount requested for research, development, test, and evaluation. Reductions were made in the request for funds for the Federal Contract Research Centers and for studies and analyses generally.

CONCLUSION

Mr. Chairman, the bill before us today, H.R. 10738, provides necessary funding for our defense program in our national interest.

The committee and the staff worked long hours, weeks and months on the measure to get it in the best shape possible, in our judgment, to bring before the House for consideration.

When so many billions of dollars are involved there are bound to be areas where cuts and modifications can be made. We have attempted to the best of our ability to locate these areas and where they were found recommend reductions from the amounts requested in the budget.

All the time, however, we were ever mindful of our needs in Vietnam and no reductions were made which directly or indirectly will affect our efforts in Southeast Asia.

In other instances it was our decision that additional funds must be provided and this we have done. These have been discussed in detail on the floor here today and in the report.

In those cases where I have commented critically on aspects of the defense program today I have done so because in my opinion certain things need to be aired and discussed in the best interest and welfare of our Nation.

I urge the House to support H.R. 10738.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LIPSCOMB. I yield to the gentleman from Iowa.

Mr. GROSS. Is this F–111B plane now costing $9 to $11 million per copy?

Mr. LIPSCOMB. The original flyaway cost 5 years ago was $3.5 million. At the present time it is estimated that the F–111B flyaway cost is $8 million plus support equipment costing about $3 million, or an estimate per unit of $11 million.

Mr. GROSS. This is one of the most disgraceful chapters in the history of the Department of Defense. Beginning with the award of this contract to the firm to which the contract went, the General Dynamics Corp. at Fort Worth, Tex.—and I am not going into details for the gentleman knows the story better than I do—but it is one of the most disgrace-

ful chapters in the history of the Department of Defense. I want to commend the gentleman for the searching inquiry that he gave this matter in the hearings before his committee. I thank the gentleman for yielding.

Mr. LIPSCOMB. I thank the gentleman. I know that he has been in the forefront in trying to keep tab on the F–111 program or, as he refers to it, the TFX. There is a great deal of additional information to be disclosed in the days and months to come.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. LIPSCOMB. I am happy to yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. I was interested in the observation which the gentleman made that the Department of Defense has identified, out of the funding represented in this bill, approximately $20.6 billion as being attributable directly to the cost of the war in Vietnam.

I noted then that the gentleman went on to say that in his opinion the real cost of that war probably amounted to between $25 and $30 billion a year. The question which I would put to the gentleman is simply this: Does the gentleman therefore believe that in addition to this bill it is likely we will have a supplemental appropriation bill in the amount of $13 to $18 billion? Is that a correct inference?

Mr. LIPSCOMB. No. I did not give a figure such as that, but I have confidence that we will have a figure which I estimate at this time will vary anywhere from $3 to $8 billion. It is our estimate, which we verify from the cost of the efforts in Vietnam. I believe it is recognized by the committee, that we are going to be faced with an additional supplemental bill.

Mr. ANDERSON of Illinois. If the gentleman will yield further, I suppose the other variable in the picture is the possibility of escalation, about which we read something in the paper just this morning.

Mr. LIPSCOMB. If we have to send additional personnel to Southeast Asia, if the attrition rate of our aircraft increases, if the sinking of our ships and other factors increase, if the use of ammunition increases, we will be faced with additional supplemental appropriations, and I must say this is recognized by our committee.

Mr. ANDERSON of Illinois. If the gentleman will yield further, I merely want to add to what has already been said. I compliment the gentleman on an extremely fine and informative statement. The information he has presented, especially with respect to the reluctance of the Department to proceed with the advanced manned strategic aircraft, and the information with respect to the F–111B program and the TFX program should be spread on the RECORD. The gentleman has made a good contribution in pointing them out today.

Mr. MAHON. Mr. Chairman, I yield 20 minutes to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, it is disappointing to note that some of the top people in the Pentagon are leaving Government service. Among these are Defense Deputy Secretary Vance, Under Secretary of the Navy Baldwin, and Admiral McDonald, Chief of Naval Operations. I do not think too much can be said about the caliber of these men or the quality of their contributions to American defense. Each of them has been outstanding in his field and each will be sorely missed. It is not easy to replace such men and the Pentagon has been fortunate to have had their services.

It has been stated that this is the largest appropriation bill in history. It has been estimated that the House is being asked to approve a billion dollars every 5 minutes. All of this bears out the fact that even though we are fighting an undeclared war, it is one of the biggest in American history. It should also be pointed out that this measure provides the most effective defense package in history. The committee has seen fit to recommend some deletions and some additions. All of them are sound. The additions are of particular moment in that they strengthen our defenses in areas which obviously are very important—AMSA, ASW, EA–6A aircraft, nuclear frigate, airlift capability, the continuation of B–52 strength, and others.

I think it is almost certain to be found that we have not faced up to the full requirements for funding the Vietnamese war. We have, however, approved the budget estimate. If the present scale of fighting continues through another fiscal year, the cost will be nearer $30 billion than $20 billion. Possibly, and hopefully, this scale of fighting will diminish, and so will the costs.

Before we get too deeply into the details of this bill, let us consider the amazing success of the Israel forces in the Mideast. This compels a very careful analysis by U.S. strategists of Israel tactics on the field of battle. By defeating the armies of three nations in less than a week at the cost of 679 dead, they have accomplished a feat unmatched in the history of warfare. We and our allies have lost as many in the same period in Vietnam with very little to show for it and I do not decry their sacrifice.

I realize full well that the circumstances are entirely different. Neither terrain or foe are comparable. But there should be lessons to be learned. Significantly, the Israelis made all-out and best use of their facilities, including full use of airpower. For most of the time that we have been in Vietnam, we have fought a one-handed war, despite the protests of U.S. field commanders. It goes on and on and the casualty lists mount. More and more Russian equipment is being brought in to offset our air superiority and the losses there, too, in men and planes, are piling up. Now we are told that the Russians are bringing in medium range missiles with which to strike U.S. bases or Vietnamese cities from North Vietnam. The American people want the Vietnam war won, for they are concerned with the fact that it goes on and on and the end is not in sight.

The total cost of the war to Israel was $100 million. The U.S. Defense Establishment costs twice that much every day for 365 days a year, year in and year out.

It should be noted that the Israelis did not allow themselves to be influenced by third parties. They wasted no time with useless diplomatic flip-flap, or the endless cacophony of the U.N. They looked after Israel's interests first and talked afterward. These facts it would be well to keep in mind. Again, there may be nothing significantly new or different in what they did on the field of battle, but it is well to remember that the winds of change blow constantly. What was good that we read in yesterday's books may be outdated today. We must be certain that Israel's military leaders have not learned something that we have failed to teach our own.

Even so, it has been a long time since the Communists have won an important victory in Vietnam. An effort has been underway for months to mount a sustained and effective offensive by the North Vietnamese regulars. Presumably such an offensive would include a substantial part of that country's remaining effective forces. North Vietnam desperately needs a major victory for the morale of its own people, for that of the Communist world, to provide grist for the Communist propaganda mills and for the doves in this country who still want to go to the conference table.

To the credit of the U.S. forces, they have kept the Communists off balance to the point that their offensive still is not underway. Their supply lines continually are being disrupted. Their concentrations of manpower and equipment are under steady harassment. This should indicate that the military situation in Vietnam is well in hand. But it does not take into consideration the fact that half of South Vietnam's area or more still is outside the control of the South Vietnam Government. Some of it is safe only by day. Despite the presence of half a million U.S. forces who have acquitted themselves magnificently, a very large part of Vietnam is Communist controlled or Communist infiltrated. The actual job of fighting and even that of pacification has fallen more and more upon American soldiers.

The most productive area, the delta, is largely in Communist hands. I have pointed out many times that the delta is the principal food reservoir of Vietnam, but its abundant rice crops benefit the Communist armies and the Communist supporters, even the North Vietnamese, more than it benefits the South Vietnamese. By whatever means are necessary, we should insure the clearing and pacification of the delta before another year runs out. U.S. forces which were intended to help alleviate this situation have had to be moved northward to the area of the DMZ to meet the new offensive threat which is building there.

The problem before us is equally divided between securing the countryside and pacification. Because of poor performance, or waste, or black market, or some of all of these, it has been necessary to place the problem of pacification in military hands also.

There is growing awareness that the situation behind the lines in Vietnam has been deteriorating. The pacification program in many areas is failing to secure the countryside and win over the peasant. Our troops can win battles but behind the battlelines the communities

are strongly laced with Communist sympathizers. The job of weeding out the Communist infrastructure, organizing the village population, and economic development is considered the weakest link in the strategic concept. This is the crucial key to an allied victory or eventual defeat of allied aims and justification of American sacrifices.

We know that our field commanders want additional forces and there doesn't seem to be much doubt that they will have been made available. We still have a long, long way to go. During the past year, we have gained some in territory held and in population controlled. But the percentage gained is small compared to the size of the effort put forth. From this point forward, it may be possible to roll up the enemy forces and to get on with the job of pacification at a more rapid pace than has heretofore been possible. If the threatened offensive can be contained and defeated decisively, the end of the fighting could come much more rapidly than now appears in prospect.

In the meantime, the fighting appears more and more to be an American responsibility. This is hard to fathom. We have spent much time, money, effort, and equipment—yes, lives—in helping to develop effective Vietnam forces. The results have not fulfilled expectations. Many people wonder why more effective use cannot be made of the Vietnam forces. It is their war. It is time that the U.S. high command found a way to secure more effective support from the Vietnamese toward insuring their own freedom. For years we have heard of the importance of spending the taxpayers' money to help build up forces of other nations so that in time of emergency those forces, rather than American, would bear the brunt of the fighting. Regretfully, history records but little in practice to justify that theory. There are exceptions, particularly in the case of Korea.

I think it important that there be full understanding of the concern of the committee about the proposed reorganization of the Reserve components. You will have noted the language in the report on page 7 which deals specifically and clearly with this subject. This language is intended to prevent the disbanding of combat units in a time of serious danger to the United States unless the proposals have been fully justified before the proper committees of Congress and until such time as formal legislative expression can be made.

The proposed reorganization of the Reserve components is altogether too similar to the merger proposal which would have eliminated the Reserves a few short years ago. Since that time, it is significant that the Reserves have gradually been whittled down and so has morale. Beginning with a strength of 300,000, they were reduced step by step to the present level of 260,000 which is provided for in the accompanying bill. The reorganization plan, however, would reduce them further to 240,000 and eliminate all combat units.

By way of history, the present reorganization plan was submitted by the Department of the Army to the Section 5 Committee which is charged with responsibility in these matters. The Section 5 Committee is made up of officers from the Regular forces, from the Guard, and from the Reserves. Despite OSD support for the reorganization plan, it was approved by a vote of only 11 to 10. The plan would strip all combat units from the Reserves, including four brigades and 316 smaller units, with an authorized strength of more than 50,000 men in combat units. It would eliminate 15 divisions in the National Guard. A total of 400 combat units would be affected. Ten of the 21 who serve on the Section 5 Committee supported plans to give combat units to the Reserves also.

It will have been noted that we have in the bill before the House a floor of 260,000 for the Reserves and 400,000 for the National Guard. There also is language in section 638 which was added to deal with a threatened merger at an earlier date. That language is largely meaningless insofar as the present problem is concerned because it refers to unexpended balances rather than to the total appropriation. Since action must be taken at this time to show the interest of Congress, we have written language into the report which we feel is strong and meaningful. Our procedure avoids legislation on an appropriation bill. It gives further opportunity to the Committees on Armed Services of the House and Senate to take any legislative action which may be required. Such an opportunity is before the Congress in H.R. 2 which has passed the House and which is awaiting action in the Senate. H.R. 2 will have to be amended to be effective in the present case but at least it provides a vehicle to which amendments are germane. I would call attention to the fact that under the language in our report, a reprograming action would be required to accomplish the realinement which has been proposed. This would require at least a measure of compliance with the intent and interest of the Congress in knowing more about the proposal by the Department of Defense.

Essentially, then, we have been asked to approve carte blanche a plan which has not been reviewed by Congress. In fact, Congress has not even been given the courtesy of a request for approval—during or after the budget submission.

Faithfully the liberal press has parroted the Pentagon propaganda supporting the cutback in combat units in the Reserve components. They say this will result in better trained and more effective units. I fail to see by what magic units can be trained, adequately equipped, and combat sharpened in the Guard but not in the Reserves, or by what magic battle effectiveness in either Guard or Reserves can be gained through disbanding combat units and making their trained personnel into clerks and food handlers.

It is very obvious that we live in a world of crisis. We have just gone through a very serious period in the Middle East and it cannot be said today that all the problems in that area have been resolved. We are confronted with a requirement for more troops in Vietnam. The field commanders there have requested them and it should be obvious that they are necessary. Vietnam, which started out to be a little war, has become one of the biggest in our history. We are spread thin. If there should be another crisis anywhere which involves American forces, it will also almost certainly be necessary to call up the Reserves. For some strange reason, they have not been used except in very limited numbers in the Vietnam war where the Reserve components could have contributed much.

If preparedness is to be insured by this bill, we should not, in its passage, approve by indirection the loss of combat units. Preparedness should be a central theme of this Nation's policies. It is obvious that our Nation may at any time need every trained military man that it has. If this is true it is equally obvious that we should be strengthening, not weakening, all our forces including the Reserves; that dedicated, trained, and experienced manpower, organized and ready, and the drill strength Reserves of both the National Guard and the USAR be given full support and encouragement to carry out the assignments which may at any moment be theirs.

Again, this would not be the case if the new plan for reorganization of the Reserve components is carried out as proposed by the Secretary of the Army. Under this plan, as I stated, the organization Reserves would be composed entirely of support forces. All combat elements now in the Reserves would be transferred to the National Guard or abolished. In substance, the Reserves would become hewers of wood, bakers of bread, and carriers of water. I do not decry the function of support forces. Without them no army can win. But I am concerned, and seriously concerned, with the proposal to abolish 15 National Guard divisions; to abolish four infantry brigades which I am informed are now full strength and capable; and to abolish several hundred USAR combat units, with their 50,000 trained and experienced men. It would appear that in the thirst for economy or merger of the Reserves, as the case may be, would not be sufficiently compelling to cause a weakening of the Nation's military capability in the face of its serious commitments worldwide, in a time of grave international pressures.

The objections to the new plan are widespread. They come from highly placed individuals in and out of the military. Included in these objections is a statement by the national executive committee of the Reserve Officers Association which includes members of all branches of the service and a statement from the Senior Reserve Commanders Association. These individuals know what the effect of such a reorganization would be. Please note, however, that the Congress is not attempting to say to the Pentagon that it can or cannot carry out a reorganization. We realize that reorganizations sometimes are necessary. We simply are asking that the proposed realinement be deferred pending such time as formal legislative expression can be made in the matter.

The bill and the report before you make no mention of it but it is entirely

possible that serious damage is being done to the Navy's selected or drill-pay reserve. During the past 4 years the strength of this force has been cut from 155,000 to 126,000 despite the fact that the Joint Chiefs have approved a strength for the Naval Reserve forces of 160,000 and despite the fact that the Chief of Naval Operations and the Secretary of the Navy have for 3 years recommended to the Defense Department an increase for the Naval Reserve to reach this planned strength. The fact that the situation is serious is emphasized because the Navy's Selected Reserve is a "D" Day reserve which cannot depend upon fillers to build it up to strength when reporting for active duty. It has been estimated that more than $7 million is needed to build the drill pay program to 132,000 people by the end of the next fiscal year.

Let me get into other areas. I cannot say that we have accomplished anything significant in this bill toward attainment of an anti-ballistic-missile system. A year ago on good authority that the Russians were building such a system this committee provided funds to initiate construction of a system of our own. The money was not used although the Secretary of Defense confirmed late in the year that a Russian system is under construction. We have money in this year's budget to continue testing but that is about all. The committees of Congress, the House and the Senate, the Joint Chiefs, the Secretaries of the Army, Navy, and Air Force agree that the United States should have an antiballistic-missile system. But the Secretary of Defense disagrees. His word is law in the Pentagon. We are embarked on one of those strange quests in which America sometimes finds itself. Instead of providing for our own defense, we hope to convince the Russians by talk that they should dismantle the anti-ballistic-missile system they are building. Throughout her military history Russia has not had a break like this. Months have passed and they still are busily engaged in building an anti-ballistic-missile system to protect their nation and to readjust the balance of military power in their favor. But they say they are willing to talk about it. That does not provide me with any substantial degree of comfort. Talk is poor defense against effective weapons. The comparative inactivity of the United States in this field undoubtedly will encourage the Russians to continue discussions while stepping up their own anti-ballistic-missile deployment. Every week that goes by widens the gap and increases the danger to the United States and to American citizens.

Now to manned aircraft. Throughout this bill it will be noted that there is a gradual scaledown of manned aircraft. In fact were it not for the efforts of this committee and the Congress we would be much weaker today in manned aircraft than we now are. It is proposed to continue that scaledown even for fiscal 1968 when the Nation is very definitely engaged in a serious war which is testing our military resources. There are altogether many people in the Pentagon who still seem to look upon the war in Vietnam as a minor engagement to be carried on one-handedly while the grand scale of the Pentagon's program for some mythical future engagement is carried forward as the primary objective. It would occur to me that the primary objective of the Department of Defense should be to win whatever war we find ourselves engaged in and to do so as quickly as possible and to think of the grand program later.

There may be new danger in the Russian submarine threat with their missile launch capability and their threat to American shipping. During recent years there have been few indications of stress by Soviets on submarine construction. Apparently this resulted from Soviet emphasis on their anti-ballistic-missile system and even on the belief that the Soviet submarine program was sufficient in numbers and capability for any requirements that might be placed upon it. It does not now appear that this is the case. There seems to be a renewed emphasis on Russian submarine program with a high degree of modernization. For a long time the United States held the edge in the submarine field in quality even though badly outnumbered. This picture can rapidly change if indications of improvements and progress in the Russian submarine are borne out. It is entirely possible that we should be placing much more emphasis on submarine construction to reflect Soviet increases in numbers and their added defensive capability.

This is the best report that has accompanied any defense appropriations bill. It deals more carefully and explicitly with the background of our funding problems than any previous report, and spells out the particular reasons for each of the committee's important actions. Reading it will take time, but it is well worth while.

A great deal of work is required for a measure of the magnitude and detail of this one. The services of a great many people go into it. Long hours through many days of hearings and study are required. Each of the committee and staff members with whom I have worked are due a large measure of appreciation for the product which is before you. However, I would like particularly to call your attention to the very dedicated effort of the distinguished gentleman from California [Mr. LIPSCOMB]. I suspect that he has put in longer hours and given more effort to the bill than did any other individual. His contributions were monumental and he, particularly, is worthy of credit.

This is not to take credit from the chairman of the committee, the distinguished gentleman from Texas [Mr. MAHON], whose great contributions to defense are so well recognized. It is his leadership which has insured a balanced defense program time after time when those in the Pentagon seemed disposed to follow too closely the defense panacea of the moment.

The cuts that have been made are not crippling. It is a healthy thing that the committee has faced up to the fact that military expenditures must not, because of their nature, be immune from the same close scrutiny that should be given to other governmental expenditures. Since the serious buildup began in Vietnam, it has not been possible to make meaningful cuts. The continuous escalation of warfare has meant an anticipated need for more money than that being appropriated each year. This situation is understandable, but in itself it is productive of carelessness and waste. It should now be obvious to the Pentagon that Congress is again looking carefully at expenditure and will expect an equally careful scrutiny by the Department of Defense as expenditures are made. At least in some instances where cuts were made, they could have been deeper. Yet the committee does recognize the necessity of leaning over backward to provide funding for all the items needed to support the fighting forces. The cuts set forth in this bill are an indication of renewed interest on the part of the committee in obtaining savings where savings are possible.

When you consider the fact that we are involved with a deficit between $14 and $29 billion, it is time to think about savings and to wonder whether we really cut deeply enough; particularly in the fields which are not associated with winning the war in Vietnam and which smack so strongly of bureaucratic buildup at so many levels. There are areas which offer promise for further reductions in spending. I am not at all certain that we have cut deeply enough into proposed additions for civilian personnel or that we have tightened the lines enough on the nonprofit corporations.

The nonprofit institutions are the organizations which are set up to provide services to the Government by contract and who attract for their operating personnel individuals who are not willing to work for the salaries paid to Government employees. The organizations have borne a charmed life. There seems to be too little indication of an effort by the Pentagon to require them to hold down expenditures or to require a realistic return from the projects assigned to them. Admiral Rickover, who is one of the most capable thinkers in the Pentagon, has stated repeatedly that the Department of Defense needs more in-house capability rather than contract or nonprofit operations. Certainly the hour is late and Congress should be reestablishing a measure of control on continued expansions in noncombat areas. I have long been convinced that the Pentagon is running studies into the ground. At any time witnesses do not have an answer to a congressional query, they say the matter is under study.

The rapidly escalating number of civilian employees now in the Department of Defense is to me an equal cause for concern. Every year we hear of savings in the operation of the Pentagon, but each year there is a mounting wave of higher costs. I question that there is really much that can be substantiated in the way of real, not theoretical, savings, in many of the activities which are carried on there. The United States employs nearly 3 million civilians worldwide. The number has increased by several hundred thousand in the past few years. Mushrooming Washington shows where most of them have found a happy home.

A part of the civilian buildup has to do with substituting civilians for military. Testimony reveals that there is no plan to convert these jobs back to mili-

tary slots when the fighting in Vietnam has ended. This means maintaining a very large civilian establishment and a cutback in the Military Establishment when conditions return to normal. I do not think this is a healthy program. Obviously, we cannot have an all-civilian Military Establishment. We must have people in uniform to fight battles and win wars. They need promotion opportunities. We can have so many civilians in the Military Establishment that there will be no place for military personnel other than in overseas defense posts. That adds to the problem of separation of families. In time of emergency we would have fewer military personnel to report to battle stations and there would be the problem of delay which would result from requirements to train additional personnel to fill the ranks. I just do not think this program has properly been thought through.

Very possibly many of the studies which are designed to evaluate Pentagon programs are useless or irrelevant or both. The entire field has been studied by the Government Operations Committee and their findings are scorching. They show duplication and ineffective conclusions and too frequent disregard of the findings of the studies. This is the sort of thing our committee seeks to eliminate. There are too many cases of studies made of studies and nothing concrete to show savings to the Government.

There are areas of activity in which I am sure the taxpayer would welcome a greater show of zeal on the part of governmental negotiators. Some of these, such as the case of U.S. negotiations for compensation for U.S. bases and operating facilities in France, are in the hands of the State Department, rather than OSD. It would be very well, however, at whatever level, to urge U.S. negotiators to work harder to get something of value for whatever property we leave in France or wherever. The French appear to believe that they can get our installations and nonmovable equipment for little or nothing. Frequently this is what happens and the taxpayers are tired of it. So far we have just exactly nothing to show for our efforts.

Now finally this: Because we have carried on the war in Vietnam while adhering to a policy of business as usual at home; because we have leaned over backward to keep from exposing the average American to any hardship or deprivation as the result of war, there are many who have overlooked some very significant facts. It should be emphasized that there are some among us; those who bear the brunt of battle, those who bear the burden of keeping open supply lines and their families, who are in a war. They are bearing a burden just as serious and frequently, just as great and just as dangerous as that in any major crisis in our country's history. For those who carry the load in Vietnam the exposure to danger, the separation of families, the inconveniences which most people knew in prior wars when our whole Nation was mobilized is once again a way of life. The fact that most Americans are not personally involved in the war does not diminish the sacrifices required of the fighting men and their families, and it should result in greater appreciation for them on the part of the rest of us. They have performed magnificently and they are entitled to the respect and admiration of the American people. Theirs has been an example which should not be overlooked even by those who conduct demonstrations, burn draft cards, and desecrate the American flag.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. SIKES. Of course I yield to the distinguished chairman of the Committee on Armed Services.

Mr. RIVERS. Is the gentleman satisfied with the Hébert bill on the reorganization of the Reserve or the Guard?

Mr. SIKES. H.R. 2, which the gentleman aptly refers to, is an important measure that has twice passed the House and which now awaits the action of the Senate. That bill, while it would not now deal specifically with this situation, would at least prove to be a vehicle to which germane amendments would be applicable as an expression of the congressional interest and intent in this matter.

Mr. RIVERS. Within the framework of this proposal by the gentleman from Louisiana [Mr. HÉBERT], and Senator RUSSELL has assured me—and it is the first time he has done it—is such that he will schedule this bill for hearings. If he does, it will certainly pass. Within the framework of this bill, is it not the gentleman's understanding and assurance that we can work out, by legislative and congressional mandate and action, a mandate to protect the integrity of the Guard and of the Reserve components?

Mr. SIKES. It would be my hope that the problem of Reserve reorganization can be dealt with in this manner. That is exactly the reason we have placed language in our report to deal with the subject rather than writing new law into the bill itself. Our committee has leaned over backwards in an effort to avoid legislating in an appropriation bill.

Mr. RIVERS. Well, of course.

Mr. SIKES. We have asked that the reorganization be deferred through the medium of the language of the committee report until such time as an expression of the Congress could be manifested through regular legislative channels.

Mr. RIVERS. Mr. Chairman, if the gentleman will yield further, I think the gentleman and his committee have done a wise thing.

And, further, Mr. Chairman, I can assure the gentleman that we on the House Committee on Armed Services do have the same concern. We are going to keep the numbers as they are, and the integrity of these units will be preserved, if humanly possible, in this area.

Mr. Chairman, I want the distinguished gentleman from Florida [Mr. SIKES] to continue his great assistance to us, because the gentleman knows so much about it and we do need his help.

But, again, I want to congratulate the gentleman for helping us save those units from those people in the Pentagon who are seeking to change our policy in the Guard and in the Reserves until the Congress clearly stepped in and stopped it.

Mr. SIKES. I appreciate very much the comments of the distinguished gentleman from South Carolina [Mr. RIVERS], the gentleman who has contributed so much to the defense of America.

Mr. Chairman, permit me to warn that what is desired here for the preservation of combat units will not be attained simply by the language of the report, or by the language of H.R. 2 as it now is written. H.R. 2, however, does provide a vehicle to which amendments dealing with the subject can be offered.

Further, Mr. Chairman, I would like to call attention to the fact that the language of our report and the reprograming action required thereunder, would require at least a measure of compliance with the intended interest of the Congress in learning more about the justification of the proposals which are made by the Department of Defense on the Reserve components.

Mr. RIVERS. Mr. Chairman, will the gentleman yield further?

Mr. SIKES. I yield further to the gentleman from South Carolina.

Mr. RIVERS. Not necessarily indispensable to the consideration of this Congress, because we could provide that the divisional setup shall be maintained, if we have the assignment of missions or units.

Mr. SIKES. That is correct. And, we recognize that reorganizations are necessary from time to time in order to keep the military forces modern and effective.

Mr. RIVERS. Mr. Chairman, if the gentleman will yield further, I would much rather have a responsive force cut up in smaller units than have larger forces with no missions and no equipment, as has been true in the past.

Mr. SIKES. That is the point. Today, however, the Congress is particularly disturbed about the proposed elimination of combat units as such.

Mr. LIPSCOMB. Mr. Chairman, I yield 20 minutes to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, I join with the distinguished gentleman from Florida in paying tribute to the chairman of this subcommittee, the Honorable GEORGE MAHON, of Texas, for the diligence and hard work that has gone into this committee report.

I particularly pay tribute to the gentleman from California who sat in this committee and spent more time studying this bill and the justifications and the statements of the various witnesses than any other member of the committee.

This committee report is a compromise report, worked out under the leadership of the gentleman from Texas and the gentleman from California after many hours of testimony, morning and afternoon every day in each of the weeks of the last 5 months.

This is a good committee report—the best committee report that has ever accompanied a defense appropriation bill since I have had the opportunity of serving on the Committee on Appropriations in 1953.

This is one of the best reports that has ever come from the Committee on Appropriations accompanying a bill covering the national security costs of our country. It is a good report in many respects because it faces up to the many

challenges which we as a nation must face during the next few years.

It points up some of the weaknesses of the Department of Defense, as far as the management of that Department is concerned, as far as the planning and programing of that Department are concerned, and also it recognizes for the first time that we are not clearly and adequately estimating the defense costs of our Nation as far as the third largest war which this country has ever been involved in is concerned and that is the war in Southeast Asia, in Vietnam.

Mr. Chairman, I support H.R. 10738, the largest single appropriation measure ever considered by the Congress. The distinguished chairman of our committee, the gentleman from Texas [Mr. MAHON] and the ranking minority member of our committee, the distinguished gentleman from California [Mr. LIPSCOMB] have done their usual outstanding job in outlining the contents of this bill.

For my part, Mr. Chairman, I would like to make some general comments about the bill and the report and then briefly discuss some of the larger questions that concern all Americans.

ABSENCE OF ADDITIONAL VIEWS

First, Mr. Chairman, let me point out that there are no "additional views" attached to the report this year. I am pleased to report this and would like briefly to explain why the minority members of this subcommittee did not submit "additional views" to the fiscal 1968 report as we have for the past 2 fiscal years.

Basically, there are two reasons.

First, agreement was reached in markup among all members on several major items contained in this bill. One of the more significant is the language contained in our report—House Report No. 349—on page 3 which clearly indicates that substantial additional funds will be required for Southeast Asia activities in fiscal year 1968.

My own view, Mr. Chairman, after hearing the testimony so far before our committee, is that the administration has once again underestimated Southeast Asia requirements by a minimum of $5.5 billion for fiscal year 1968.

The second reason there are no "additional" or "minority" views is that our deep concerns about the future posture of our country in the national security arena especially in the decade of the 1970's and beyond were amply spelled out in last year's additional views contained in House Report No. 1652 and in my own extensive remarks which appear in the CONGRESSIONAL RECORD dated June 28, 1966.

Since very little has changed in the intervening period, there seems to be no compelling reason to restate our very deeply held views on these vital matters.

I will very briefly summarize those concerns a little later in my remarks, Mr. Chairman.

VIETNAM REQUIREMENTS UNDERFUNDED—AGAIN

No member of this committee, majority or minority, can take pride in the fact that the experience of the fiscal year 1966 and 1967 Southeast Asia requirements is to be repeated again in fiscal year 1968, albeit on a somewhat smaller scale.

In fiscal year 1966, Southeast Asia requirements were underestimated in the original budget by some $15 billion.

In fiscal year 1967, Southeast Asia requirements were underestimated by over $13 billion.

In this budget, Southeast Asia requirements, on the bases of our hearings these past 5 months, are underestimated by a minimum of $5.5 billion. There is evidence that they could well go much higher.

Mr. Chairman, it seems to me it would be much better in a time of war to state accurately the defense needs of our Nation. This is a minimal requirement.

Actually, it would probably be far better to overstate defense requirements in a time of war rather than coming back the following January each year with substantial supplemental requests after all or most domestic appropriations measures have been adopted.

This would be the fiscally sane course to follow.

This would be the prudently wise thing to do.

Mr. Chairman, the budget that is submitted to this committee is supposed to be based upon a ground force level in Vietnam of 500,000 men during the fiscal year 1968. That is 500,000 ground forces, plus 87,000 Navy, and 100,000 Air Force personnel, all engaged in this, the third largest war in the history of our country.

Yet the Department of Defense and the President in submitting this budget have once again underestimated the cost of this conflict, and in the budget submission the figure of $20.3 billion is used when every member of our committee on either side of the aisle knows full well that this is an underestimation of those costs.

According to my informants in the Department of Defense—and my informants have been better about cost figures than the direct testimony of the Secretary of Defense in both fiscal 1966 and fiscal 1967—using the same criteria that was used in figuring the $20.3 billion, the expenditure rate in Southeast Asia war costs for April and May is closer to $4 billion a month. The annual cost of the war in Vietnam is closer to $28 billion for fiscal year 1968 than it is to the estimates given in the budget submitted early in January.

Why do I think it is important to point this out now? It is important for us to have these cost figures before the Congress as we review the various domestic programs that are going to be considered by this Congress in the next few months. We have been fighting the Vietnam war on the basis of "Fight now, pay later," for too long. The situation has developed here where in both fiscal 1966 and 1967, we have had supplemental requests of $13 billion-plus at the start of each new session of Congress.

After all the domestic programs have been funded, then we come up with a supplemental approach to finance the costs of the war. In every major war that this country has ever been involved in people have been willing to make sacrifice after sacrifice in order to cover the costs and support the fighting men that are assigned by our Commander in Chief wherever they happen to be assigned. And I say that the American people today are also willing to make sacrifices, but in order to make those sacrifices, the costs must be estimated on a fair and accurate basis, and the people must be told in advance what those costs are.

With supplemental requests of over $13 billion in 1966 and supplemental requests this year of over $13 billion, always coming in after the domestic programs have been funded, the Congress is unable to establish a clear set of priorities as far as funding various programs in the Federal Establishment, in this federal system of ours, and it is time, it seems to me, that we recognize that in periods of war it is better to overestimate your stated expenditure rate, your stated appropriation rate, than to underestimate it to the extent that it has been underestimated by the current management in the Department of Defense.

CREDIBILITY

The problem, Mr. Chairman, is that this administration attempts to blame the war in Vietnam and the consequent increases in defense spending for the "national sales tax" we call inflation and for the deteriorating state of our economy, not to mention the prospective massive deficit we are facing in this fiscal year and in fiscal year 1968.

Yet, Defense spending since 1960, as we have seen, has risen 68 percent while nondefense spending has skyrocketed some 97 percent.

If more accurate forecasts had been submitted with the original budgets in fiscal years 1966, 1967, and 1968, there is no question in my mind that Congress would have more responsibly and thoroughly scrutinized nondefense programs and the prospect of a massive deficit of over $25 billion in fiscal year 1968 probably would not have been as likely.

Mr. Chairman, the budget deficit for fiscal year 1968 was originally estimated at $8.1 billion. That estimate has now been officially revised to some $11 billion.

Members of this Subcommittee on Defense are also members of the full Committee on Appropriations and must pass judgment on the funding requirements of all other levels of Government activity.

We are also Members of the Congress who are required to judge all authorization levels when they come to the floor of the House for final action.

Our responsibility to our own conscience and to all our colleagues in the Congress cannot be appropriately discharged in the face of incomplete or misleading information.

Yet, this is precisely what we have had to contend with in increasing degrees during the past 2 years.

The inflation we faced last year and today, the sluggishness of our economy, the inappropriateness of some of the legislative actions this Congress has approved in the past 24 months, the prospects of a large and apparently necessary tax increase—all of these problems and many more can be attributed in part to an incomplete understanding by Congress of the true and

largely predictable requirements of Southeast Asia activities in the past 2 fiscal years.

Mr. Chairman, in no area of national need—domestic or foreign—can this Congress fulfill its responsibilities adequately until it insists upon and obtains full, complete, and accurate information from the executive branch of our Government.

It is this which has led us to the position we are in today, where domestic expenditures have increased by 97 percent since 1960, while Defense expenditures have increased only by 67 percent—at a time when we are engaged in a massive war.

At no time in the recent history of this country—either in the time of World War I, or World War II, or in the Korean conflict—did domestic expenditures go up at a rate of 97 percent. As a matter of fact, during World War I, and during World War II, and during the Korean conflict, just the opposite was the case in the administration of our budget and fiscal matters.

Mr. Chairman, a budget is nothing more than the fiscal plan of our country. It is sent to the Congress at the start of each year to give some indication on the part of the executive branch as to what the fiscal plans are for the next fiscal year. The credibility of the budgets that have been submitted have been completely discounted as far as Defense is concerned during each of the last 2 fiscal years, and the same thing is true this year. I point this out not in the interest of criticism.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Fifty-three Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 134]

Abbitt	Diggs	Pepper
Anderson, Tenn.	Dow	Pickle
Arends	Dowdy	Pool
Ashbrook	Fuqua	Resnick
Ashley	Gubser	Ruppe
Ayres	Hanna	St Germain
Battin	Heckler, Mass.	St. Onge
Berry	Herlong	Skubitz
Brown, Calif.	Holifield	Smith, N.Y.
Celler	Hosmer	Thompson, N.J.
Clark	Kelly	Widnall
Conyers	McEwen	Williams, Miss
Corman	McFall	Willis
Daddario	Moss	Young
	Pelly	Younger

Accordingly the Committee rose; and the Speaker pro tempore (Mr. PRICE of Illinois) having assumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 10738, and finding itself without a quorum, he had directed the roll to be called, when 387 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Wisconsin [Mr. LAIRD] has 11 minutes remaining.

Mr. LAIRD. Mr. Chairman, the point that I was attempting to make before the quorum call was that this bill does not fund the war effort in Southeast Asia.

Mr. FLOOD. Mr. Chairman, if the gentleman will yield, I think the gentleman should take the well. He looks better down there and he was doing so well, and on a matter of this importance I think he should address the Committee from the well of the House.

Mr. LAIRD. I want my distinguished friend, the gentleman from Pennsylvania, to be completely comfortable. Although I might be more comfortable where I am now standing, I will yield to his suggestion and take the well.

Mr. Chairman, additional war costs will be funded in a supplemental appropriation bill which will come before the Congress early in the second session of this 90th Congress.

The expenditure rate in Vietnam will be closer to $28 billion than the $20.3 billion which is earmarked in this appropriation bill and as set forth by the President in his budget as submitted to the Congress. This is true on the basis of the present rate of expenditure of ammunition, and the present steaming rate in Southeast Asia today.

Ammunition and steaming costs are underestimated by in excess of $1,500,000,000 in this bill on the basis of the present use of ammunition and fuel in Vietnam in the third quarter and now in the fourth quarter of fiscal year 1967.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman.

Mr. MAHON. I would like to exchange views with the gentleman from Wisconsin, if he will permit.

Is it not true that last year we were told that under the assumptions underlying the military budget for the fiscal year 1967, the current fiscal year, if the war should continue beyond June 30, 1967, that additional funds would be required?

That is question No. 1, which I am sure the gentleman would answer, "Yes."

Mr. LAIRD. The answer to that question is, "Yes." But to further amplify that answer, even if the war had ended on the 30th of June 1967, I am sure the distinguished gentleman from Texas knows full well that a supplemental appropriation bill would have been needed and necessary in order to restore the drawdown on stocks and supplies, the loss of aircraft, and the loss of helicopters that would have been needed in order to put the Defense Establishment in the same position in which it was 18 months earlier.

Mr. MAHON. Mr. Chairman, will the gentleman yield further?

Mr. LAIRD. I am happy to yield to my distinguished chairman.

Mr. MAHON. Everyone I know of, in and out of Government, thought that in all probability the war would continue beyond June 30. Therefore, the gentleman from Texas now on his feet, and the gentleman from Wisconsin, and many others said early last year that there would have to be a supplemental appropriation. The Defense Department, the President, and many others said that there would have to be a supplemental bill. We shouted this view from the housetops. It was well known.

Mr. LAIRD. They said that after they were pressed, but they never admitted they would need a supplemental if the war would have ended on a certain given date. This was a false assumption to start with in drawing budgets.

At no time in the history of warfare or defense planning has any administration, to my knowledge, assumed a given date that a war would end. This has never happened in the history of any Military Establishment or in the history of any country in the world that a given date was picked upon which the war would end, and they would draw budget assumptions based upon a given fixed date for the end of the war.

Mr. MAHON. Mr. Chairman, will the gentleman yield further?

Mr. LAIRD. I am happy to yield to the gentleman from Texas.

Mr. MAHON. Of course, it is true that in making any budget certain assumptions must be made. Some of them may be arbitrary. I myself felt that the assumptions underlying the fiscal 1967 defense budget were not as realistic as they should have been but the assumptions were clearly delineated.

Mr. LAIRD. I know the gentleman does not like to use the word "phony," but they were false, were they not?

Mr. MAHON. They were not false and they were not phony. They were based upon technical budgetary assumptions.

Mr. LAIRD. I do not think it is a very technical assumption to project the way on which a war is going to end and base assumptions on that date.

Mr. MAHON. The gentleman knows that the war was escalating rather rapidly and it was impossible to tell exactly how much money would be needed. We were told that additional funds would be needed if the war continued. It can be argued that a more definitive figure should have become available earlier. I am not arguing that point. The purpose of this colloquy, in my judgment——

Mr. LAIRD. If the distinguished gentleman will permit me, he is defending the assumption that was used in the 1967 budget that on a certain date the war would end. If that was such a good assumption to make in the fiscal year 1967, why did they not use the same assumption in 1968? The gentleman from Texas knows full well that they did not use the same assumption in the 1968 budget.

Mr. MAHON. The fiscal year 1968 budgetary assumptions are entirely different, in most ways, from those for fiscal 1967. So while you and I shouted from the housetops last year that there would have to be a large supplemental, this year the situation is quite different because the budgetary assumptions are different.

Mr. LAIRD. I agree absolutely with the gentleman that the supplemental will be just about half the supplemental of this year.

Mr. MAHON. My point is, that we all agree there will probably have to be a supplemental because the expenditures for the war will very likely go beyond those which were calculated in the January estimates. Even though a greater number of troops than those present now

have been funded in the budget, we think it very probably will go beyond that figure. The estimated personnel figure for Vietnam is less than 500,000. We believe the figure will very probably go higher. Therefore, we think there will have to be some additional funding. The fact that we did not fully fund the costs of the war in fiscal year 1967 early in the year did not influence the war effort, in my opinion. It may have influenced some other things.

Mr. LAIRD. The gentleman from Texas knows full well that it did influence some other things. However, when we get into the other parts of our fiscal planning, in the other areas of fiscal responsibility in which the Congress has certain responsibilities, we can easily see that by underestimating these costs and by using a false assumption—that the Secretary of Defense, as well as others in the administration, knew was a false assumption, to pick out of the hat a date when the war is going to end—that is certainly the way to mislead people as to what the total overall fiscal plan of our country should be.

Mr. MAHON. But the gentleman from Texas and the gentleman from Wisconsin were in no way misled, and assuming our colleagues have confidence in us, they knew all along that there would be a heavy supplemental, and that defense costs would soar. Therefore, when the Great Society programs and domestic programs generally were considered, it was known that there would be additional sums needed. So this should not have adversely influenced Members of Congress.

Mr. LAIRD. The Members full well know that when the Secretary of Defense was asked at the press conference in January 1966, about the projection I made that the supplemental request for 1967 would be well over $10 billion, he said it was false. He came right out and said it was false. And my assumptions were correct, and his were wrong. I see the Secretary of Defense in this budget has not used the same assumptions he did in 1967. The assumptions are somewhat different. But I would never want to be in a position of arguing that the assumptions he used in 1967 were a proper means of estimating defense expenditures while we were engaged in the third largest war this country has ever been engaged in. He would have been a great Secretary of Defense if we had been at peace during his tenure, but unfortunately we are at war, and in estimating costs and budgets, we have to let our people know what the costs are, so that they can tighten their belt in other areas of the economy.

Mr. MAHON. I am not enamored of the defense budgeting system which was employed for the current fiscal year, but I want to proceed further. There are assumptions underlying the 1968 budget, to the effect that the war will continue throughout fiscal year 1968—that is, through June 30, 1968, and beyond that time.

Mr. LAIRD. For at least that amount of time. The assumption goes far beyond; there is no cutoff date on June 30, 1968. The war is a continuing thing and projections are in this budget.

Mr. MAHON. But the additional costs will be required for 1969. So my point is, if one lacks agreement with the budgetary system for the current fiscal year, he should realize fully that if the war does not escalate beyond the present estimated level, the probabilities are that if there is a supplemental—and there probably will be—it will be relatively small as compared to the supplemental of 1967.

Mr. LAIRD. I agree with the gentleman from Texas. It will be less than the supplemental for 1967, but it will be a sizable supplemental. If the manpower level goes above 500,000 troops on the ground, then we will have to have a much larger supplemental, a supplemental of at least $5.5 billion. But even if the war stays at the projection of 500,000 troops on the ground, we will still have to have a supplemental appropriation bill for 1968. We could take examples. Ammunition for destroyers—right now I can tell the gentleman on the basis of information I have from the Defense Department—was underestimated at the very time the Secretary of Defense was making his budget submission to the Defense Appropriations Committee by many millions of dollars.

Mr. MAHON. Mr. Chairman, will the gentleman yield further?

Mr. LAIRD. I yield to the gentleman from Texas.

Mr. MAHON. It is true that we reduced the defense budget by $1.6 billion. We also added-on $400 million. We made a net reduction. We do not feel that these reductions will interfere with the war effort. We are supporting the committee report and the funds requested in this bill, because neither the gentleman from Wisconsin nor I believe that we should at this time give a blank check for an undetermined amount of money which may later be required. We would rather they would lay the further requests before us in clear terms when the need is more apparent.

Therefore, the fact that the costs of the war may to some extent be unfunded is in no way a reason why we should increase the budget or attempt to guess as to what the additional figure may be, or provide a blank check to the Executive for expenditure of funds which have not been justified.

Mr. LAIRD. I agree with the gentleman from Texas.

The reductions made here in no way will affect the war in Vietnam. It is a reflection on the part both of the majority and of the minority members of the committee that we should have tighter control over budgetary processes so far as the Department of Defense is concerned. This is what we have tried to set forth in our committee report, which is agreed to by both the majority and the minority members.

Mr. MAHON. I thank the gentleman.

Mr. LAIRD. Mr. Chairman, if I may, I would like to touch on one or two other points of general concern to all Americans in connection with our Defense Establishment.

NEED FOR A BLUE RIBBON COMMISSION

Mr. Chairman, I referred earlier to the additional views submitted by the minority members of this subcommittee last year. In connection with those views we, together with other Members of Congress, introduced a resolution calling for the early establishment of a Blue Ribbon Commission, made up of the highest caliber experts from both the civilian and military communities, to conduct an independent and objective evaluation of the projected defense posture of this country.

My own rather extensive defense of the need for such a commission is contained in my remarks of last June 28 alluded to earlier.

Those of us who introduced this resolution did not do so lightly.

We came to the conviction that it is vitally needed only after deep deliberation and much soul-searching and after noting the grave concern felt and publicly expressed by leading members of both parties in and out of Congress, by high-ranking military officers, by past holders of the Nation's highest positions in the Department of Defense—both military and civilian—and by almost universal concern in the journals and publications of this country that deal primarily with defense matters.

We came to this conviction as well after noting the cavalier disregard on the part of the Office of Secretary of Defense with respect to clear direction by Congress in several vital matters, with respect to unanimous recommendation on the part of the Joint Chiefs, and with respect to the apparent reliance in that office on preconceived assumptions that often fly in the face of all available evidence.

We came to it finally, Mr. Chairman, because it is no longer possible to rely on the unsupported pronouncements of the highest officials in the Department with regard to the most vital matters of concern to Congress in discharging its constitutional responsibilities in the area of national security.

SUMMARY OF CONCERNS

If I may, Mr. Chairman, I would like briefly to restate in summary fashion the principal concerns that point, in my judgment, to the need for early establishment of such a Blue Ribbon Commission.

First, the defense structure of any nation is determined by that nation's foreign policy.

Primarily, it is our belief as stated in last year's additional views that certain basic changes have taken place in the defense policy of the United States since 1961. These changes need immediate evaluation by this impartial Blue Ribbon Commission. Among the changes, the following are particularly significant:

First, a changed attitude toward the cold war and, as a result, a different assessment of the potential and current threat;

Second, a changed attitude toward the desirability or necessity of pursuing advanced weapons development as vigorously as possible; and

Third, a changed attitude toward those areas of defense and defense planning which should receive priority.

In foreign policy, the basic assumptions upon which the administration ap-

pears to base its defense strategy include the following:

First, that there has been in recent years a reduction in tensions between the free world and the Communist bloc—except China—and that further accommodations in the future can be anticipated and should be encouraged;

Second, that our military force structure should be related primarily to the "visible" threat posed by potential adversaries;

Third, that nuclear war is as unthinkable to the Communists as it is to the United States and the free world and that, therefore, the balance that is being achieved between the Soviet Union and the United States with regard to strategic forces should not be upset;

Fourth, that the United States should continue to assume a posture of response both in the area of "crisis control" such as Vietnam and in the area of weapons development; and

Fifth, that the threat from world Communism has, in fact, eased during the course of recent years and, therefore, any attempt to maintain a decisive superiority in the years ahead would reverse this trend.

In defense policy, the basic assumptions would include:

First, that the aggressive pursuit of advanced weapons development such as the antiballistic missile system—ABM—or the advanced manned strategic aircraft—AMSA—would lead to a "reaction" on the part of the Communists that would accelerate the "arms race" and that, therefore, whenever possible, such decisions should be stretched out, studied to death, or postponed.

Second, that the level of effort in new weapons systems should be tied, predominantly, to what the potential enemy is doing and that the determination of what "the other side is doing" must be based on "visible" information.

Third, that the Defense Establishment must be prepared to execute and implement a strategy of "flexible response," one that permits the United States to gradually escalate any conflict and that will not force us into the dilemma of "humiliating retreat or nuclear war."

It is our belief that many of the assumptions that guide our foreign and defense policy may be unrealistic and incorrect. The experience of the past 6 years bears out this contention. The importance of a complete evaluation of these assumptions cannot be overstated.

We believe that there has not been a reduction in tensions but rather a reduction in our desire to recognize Communist actions for what they are.

We believe that our military force structure should not be related to the "visible" threat but rather to the capabilities of the Communists and to the fulfillment of our own national objectives.

We believe that nuclear war should be "unthinkable" to the Communists but that this country should not base its plans on that illusive hope.

We believe that the strategy of response both with regard to crisis situations and with respect to weapons development should give way to a strategy of initiative. We would define a "strategy of response" as one in which this Nation permits a situation to become so serious that it must take extraordinary steps even to return to the status quo, and a "strategy of initiative" as one in which this Nation, when it first sees the possibility of a situation developing, will take steps to prevent its becoming a crisis situation either with respect to potential conflicts or to new advances in weapons development.

We believe that the threat from world communism has not eased and that, therefore, it is of the utmost importance that this Nation maintain a decisive superiority in offensive and defensive weapons.

We believe that the Soviet Union is not "leveling off" its effort in advanced weapons development and that it is, as a matter of fact, aggressively pursuing new development both in outer space and inner space. Secretary McNamara's belated admission of this last November should make this fact clear, Mr. Chairman.

Finally, we believe that under the policies of the past 5 years, rather than escape the dilemma of "humiliating retreat or nuclear war," we have actually enlarged that possibility, in effect, adopting policies that have reduced rather than increased our options.

To reverse this situation, four basic requirements are necessary:

First. A more objective and realistic assessment of the threat coupled with a thorough reevaluation of our foreign policy;

Second. A return to greater participation by and acceptance of military judgment in what are predominantly military affairs;

Third. A more aggressive pursuit of research and development especially in the area of advanced weapons; and

Fourth. A reassessment by the Congress of its own role in the area of national security.

There is, in our judgment, little possibility that these requirements can or will be fulfilled unless the initiative comes from the Congress. It is for this reason that we have called for and strongly support the establishment of a blue ribbon commission of military and civilian leaders to reassess and reevaluate the defense posture of this Nation now and for the future.

Only in this way, Mr. Chairman, can the American people be reassured that this Nation is buying the very best defense consistent with the long-term best interests of the United States.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. MAHON. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I do not expect to take much time on this particular topic, but the discussion between the gentleman from Wisconsin and my chairman, the gentleman from Texas [Mr. MAHON] brings to mind the fact that if we would finance the Defense Department as we did during World War II, and as I believe we should be doing now—that is, by providing funds as they are needed instead of trying to fully fund in advance—this discussion would be needless.

I look back to 1955, when we were discussing this matter on the floor, and to my remarks at that time. I pointed out that as a result of full funding the Defense Department had continued to buy airplanes which would not fly because they had the money and did not want to cancel the contract because that might cause unemployment. There are many similar examples.

There may be some jockeying for position here between my colleagues on the committee.

I do not want to let this statement conclude without also commending the very fine work done by our chairman, the gentleman from Texas and by the other members of the subcommittee. This is a long and detailed and complex bill.

I do say again that this argument about whether something is full funded or not might have some repercussions in a political way, I do not know, but any department which has in addition the funds in this bill some $40 billion or $50 billion of unspent funds, and a great amount of money not obligated, is a department about which there is no need to worry whether it has enough money to finance itself for the next year.

There might be some argument about the wisdom of funding some domestic programs or whether we should do this or should not do some other things. The point I want to bring out today is the fact that I have gone back through the records to 1961. For that whole period I cannot see where a single thing has worked out like the Secretary and his associates at the Pentagon anticipated it would. I cannot see today where anything in Vietnam today is in line with the way it was projected and estimated to us by our experts and throughout that whole time the Secretary of Defense has imposed his will not only on the Defense Department but has consistently tried to virtually eliminate or weaken the Reserves and National Guard combat units.

Here again, we find public announcement, without congressional approval or knowledge, by the Secretary of Defense that he is going to abolish combat units of the Reserves and the Guard. This action is unsound. Our committee has again disapproved such action and has called upon the Secretary to hold such action up unless approved by the Congress.

TIME TO CHANGE OUR COURSE

Mr. Chairman, we need to review to reassess, and, I believe change our foreign policy. I can see how years ago you may have had high hopes for the United Nations when it was created, but I cannot see how those same folks would have any hopes for it now, having had observed its failures, right up to recent weeks.

Mr. Chairman, after World War II, we went around the world injecting ourselves into the internal affairs of just about every nation that would let us help them with foreign aid, underwriting the incumbent governments, governments which sold our goods to their people for what the traffic would bear.

Of course, once the governments we aided got thrown out the new government had no use for us. That is the

answer to the feeling against us in so many areas around the world.

All nations engaged in the recent war in the Mideast were recipients of our aid—as a matter of fact we first went into Vietnam with foreign aid. We see the results, a war with no apparent end, unless we change our course.

Let us take further stock of our position today and think about how we got there.

Think of it. Only a few short years ago we were confronted with communism in Cuba. This was halfway around the world from Russia and a place greatly to her disadvantage. When her hand was called, she got out. Where do we confront communism today? We are halfway around the world, with all of the disadvantages on us and with the advantage with communism.

We have read the word "Vietcong" so frequently in the press that most folks today do not stop to realize that the Vietcong are the South Vietnamese who do not agree with us and are trying to throw us out of their country. They are not North Vietnamese but South Vietnamese. Those South Vietnamese who give us lukewarm support we call South Vietnamese.

There are six volumes of hearings here. I challenge you to read them and come out with any feeling that the South Vietnamese on our side want to put out very much themselves except to satisfy us. Why have we had to put our soldiers in there? Because though we could train the South Vietnamese to the point of using this equipment themselves, all too frequently too many had little desire to fight. If they had had half of what the Israelis showed last week, there would be a different story. The war would likely have been over. Besides, we don't know who is with us and who is not.

On another point we are here today presuming that we can continue to spend $20 billion to $25 billion a year in Vietnam and that our economy can stand it. Well, can it? We turned down the other day an increase in the ceiling on our national debt to $375 billion, a level we are bound to reach if we follow our present course. It has been estimated that we have an inflationary spiral of $27 billion this year. That means $27,000,000,000 loss in the value of our savings. I know that the defense witnesses testified we had an average of 7 percent inflation each year. In other words, it costs 7 percent more each year to buy the same thing that you bought the year before. How long can our economy stand up to this course without a crackup?

Now, what am I getting to? I am saying that we owe it to the men we have in South Vietnam, trying to help people who do not have the enthusiasm for themselves as their South Vietnamese relatives whom we call the Vietcong, have for driving us out.

Our supply lines reach half way around the world. We are greatly committed with millions of men behind the 460,000 in Vietnam. We have recommitted ourselves to Southeast Asia to the point that Russia could have called us to task in the Middle East and likely would have if the Israelis had not been victorious so quickly. Who knows, our tiedown in the Far East may have set off Egypt. Could they not tweak our nose in Berlin? Or any where else where we have commitments. We need to get this war over, or get it in condition to turn fighting over to the South Vietnamese Government, with every advantage on their side. Unfortunately we do not seem to have a plan to win.

If you will read these hearings you cannot find a plan to win. The best that I can point out to you about our plan to win is that the Secretary says: "We will stay there until they get convinced they cannot win." When a smaller country like Vietnam can tie up the United States and leave us wide open to trouble in the Middle East, Africa, and everywhere else, it is a sorry day. We certainly should not let this condition continue. I am no military man, but neither is Mr. McNamara. I have sat in on a good many defense hearings. I started listening to defense problems and plans long before the Secretary. I went on this committee in 1943, but I am certainly no expert. I do believe I am just enough of an expert, however, that I would leave these military decisions up to the military, including those that the Secretary of Defense has appointed. It is my belief that we have reached the point where we have to go all out. I know many of my colleagues on the committee will agree with me on this and I have reason to believe many military leaders agree. I believe we must go all out to push the Vietcong back and to bring a collapse of North Vietnam's ability to support.

Now, as for fear China may get in the war. We should think of Israel. If we are afraid of China under the present conditions, would we not be more afraid 10 years from now when she has had 10 years in which to progress? When I say we need to go all out to get rid of the Vietcong, and to bring North Vietnam to her knees, we must then at least say to the lukewarm South Vietnamese that we say we are trying to free, "All right. We have given you equipment; we have trained you. We have broken the enemy's force. If you have any heart in you, then take this equipment and get going, because we have done our share."

I do not see any other way open to us. I say to you today the only plans to win that you will see in these hearings are that we hope to stay there until they decide that they cannot win—and all the time the Vietcong and the North Vietnamese win each day they keep us tied down.

Now, Mr. Chairman, the Vietcong group of South Vietnamese—one can see that they have an issue. They are like the Israelis. They are instilled with a desire to push foreigners out of what they consider their land. And, I seriously question whether we should have ever gone there. But we are there, and I say that we owe it to our boys who are fighting to see that they are permitted to win. We need to win in the interest of the safety of our country. We must get this war over with for as long as it continues we will be overextended over the world, dangerously so.

And, thirdly, Mr. Chairman, our economy calls for getting this war over. Do not let them tell you that the GNP—the gross national product—is increasing at so great a rate that we can stand a $25 billion war in South Vietnam year in and year out without a crack up in our domestic economy.

Mr. Chairman, what is the gross national product? I asked our Director of the Bureau of the Budget when the hearings first commenced this year about this, and he said that the gross national product is the value of goods and services. They count the face value of services on the ground that you would not pay for those services unless they are worth it. But, you know, they put the same face value on governmental services, governmental programs, even though they may be completely wasteful. In other words, the more you waste in the case of governmental services, the more your GNP is. So, the more worthless governmental services you have the greatest the GNP and therefore the more such programs they say "we could afford."

Mr. Chairman, I say that it is time for us to put up and not to shut up, to issue the necessary orders to win for these boys whom we have over there; to issue the order to clean out these North Vietnamese from South Vietnam, for we have the power with which to do it. And, Mr. Chairman, when we have done that, we should said to the South Vietnamese, in addition to training, expertise, and the tremendous amount of equipment which we have furnished you, we have given you every advantage over your enemies, now, like Israel, you take it and go from here.

Now, Mr. Chairman, no one can win for those who do not have the desire to win. We should put it up to them.

Mr. LIPSCOMB. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. MINSHALL].

Mr. MINSHALL. Mr. Chairman, I am indeed honored to have been on this great Defense Subcommittee of the Committee on Appropriations. I do not think that there is any more important committee in the House and, certainly, none that is harder working and one which spends more hours listening to the testimony of experts from the Department of Defense than do we, the members of the Defense Subcommittee.

Mr. Chairman, I would be remiss if I did not pay tribute to my distinguished colleague, the chairman of this committee, the gentleman from Texas [Mr. MAHON], and commend the gentleman for the fair and impartial manner in which he conducts our hearings. You have already heard about the gentleman from California [Mr. LIPSCOMB]. He has worked like a Trojan this year on this most important bill. Unfortunately, because of committee conflicts not all committee members have been able to be there to help him as much as we would like, but the gentleman from California [Mr. LIPSCOMB] has carried the ball in a magnificent manner and has performed an outstanding job. We Members of the House are very indebted to both of these men, the distinguished gentleman from Texas [Mr. MAHON], and the distinguished gentleman from California [Mr. LIPSCOMB].

Mr. Chairman, I wish to bring to the floor of the House my grave misgivings and reservations about the $208.8 mil-

lion which is being committed in this fiscal year 1968 bill for procurement of 12 F–111B airplanes for the Navy.

Mr. Chairman, during our long hours of hearings which extended over a period of several months, we on the Defense Appropriations Subcommittee heard testimony from the Secretary of Defense, the Secretaries of the Army, Navy, and Air Force as well as from the Joint Chiefs of Staff and their top echelon military and civilian backup witnesses.

Out of these hearings have come six volumes involving more than 3,500 pages of testimony cleared for publication, and thousands more pages of top-secret information were deleted for either reasons of security or as part of the Pentagon's policy of deleting material for political purposes, but the testimony which has been permitted to stand open for public inspection still is sufficient to give some insight into the opinions of the military experts. And from that testimony, even with its numerous deletions, *it is not difficult* to discover overwhelming arguments against the Navy version of the TFX or, as it has come to be known, the F–111B.

Let me quickly capsulize the stormy history of the TFX, Navy version, as it was originally called. The TFX is now labeled, as I have said, the F–111B, and it is the brainchild of Defense Secretary McNamara who, in 1963, said he wanted a fighter aircraft of great dependability for joint use by the Navy and the Air Force.

This concept of commonality would save at least $1 billion, according to Secretary McNamara. The award of the contract for the TFX touched off a controversy which is raging as of this day, and 4 years later one thing is clear: General Dynamics, with headquarters in Fort Worth, Tex., has failed to develop an aircraft for the Navy at its Long Island, N.Y., plant which, despite repeated design changes, fails to measure up to the minimum standards set by the Navy for introduction into its inventory.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. MINSHALL. I yield to the gentleman.

Mr. FLOOD. Mr. Chairman, I am sure the gentleman, when he referred to a single-engined plane, did not actually mean a single engine.

Mr. MINSHALL. I will say to the gentleman, no, I did not. I have on some glasses that do not improve my eyesight for close work.

Mr. FLOOD. I would say to the gentleman that my glasses do not help, either.

Mr. MINSHALL. I presume I will have to go back to my original glasses. I thank the gentleman for calling that to my attention and correcting me.

Even these standards for the Navy version of the F–111B have been reduced drastically from original design specifications to satisfy the ego of those who originally conceived the dual purpose, commonality approach for our military aircraft.

Any dollar savings which might have been achieved by the commonality concept have been canceled out long ago.

Mr. Chairman, I do not come to the floor today as a military expert, but I have listened intently to the experts, and the experts on the record and frequently off the record are overwhelmingly against the Navy F–111B. Based on testimony before our Subcommittee on Defense, and statements of the highest ranking naval officers, both in the committee and out of the committee, the F–111B at its very best is an "iffy" aircraft. Why is it "iffy"? The plane was originally hailed as having a dual mission as a fighter-interceptor and as an aircraft platform for launching attacks against a possible threat in the 1970's.

Some contend that this threat may never materialize. Be that as it may, one thing is certain: The F–111B's capability to meet such a threat does not exist today, nor is it certain it ever will exist. Economy and efficiency were major boasts of Secretary McNamara's much-touted commonality concept which we were told would save billions of dollars. The F–111B originally was estimated at $2.8 million per copy, per plane, if you will. Today procurement costs, depending on who is giving the figure, the figure averages out to $8 million or $9 million per plane. American taxpayers are being asked to gamble an additional $208.8 million on an aircraft which is already more than 2 years behind schedule. American taxpayers are being asked to procure a Navy plane which is still at least a year and a half from even being tested on and off a carrier's deck. The initial testing of a changed key prototype will not be done until November of this year.

Original design and specifications have been thrown out the window. Future prototypes will look different and be different especially as to weight and flying characteristics.

It is a changed aircraft with a changed mission.

American taxpayers are being asked to take a chance that the Navy can overcome serious problems of overweight which affect the plane's range, speed, acceleration, maneuverability, fuel consumption and weapons carrying characteristics.

Recently, I gave serious thought to striking out procurement funds for the Navy F–111B, in this appropriation bill.

The situation recalls one that confronted me several years ago when the defense bill came before this Chamber. I am sure that many members of this defense subcommittee remember the situation. It was about the Bomarc. At that time I was a relatively new member of the defense subcommittee, and even though I have gained a total of 9 years' experience on the subcommittee, I certainly do not now consider myself a military expert and I do not pretend to be a prophet. But I do remember in 1960, despite strong pressures, I armed myself with information that I had received both in the subcommittee and from private sources on the question of reliability regarding the Bomarc missile. Like the F–111B the Bomarc had a bad history of throwing good money after bad after repeated tests and repeated failures. In committee I led a fight as a result of which the Air Force finally agreed to cut $160 million from the Bomarc funds.

My efforts to eliminate the remaining $200 million for Bomarc were defeated later on the House floor.

At the height of the Bomarc controversy, Phil G. Goulding, military affairs reporter for the Cleveland Plain Dealer—and I emphasize again—I did not then nor do I now claim to be a military expert but Phil G. Goulding's views on defense matters were considered expert enough in 1960 and his opinions were so highly valued in this area that he subsequently was tapped by Secretary McNamara to serve in the post he now fills at the Pentagon as Assistant Secretary of Defense for Public Affairs.

In his report on efforts to cut Bomarc funds, Goulding wrote in the May 1, 1960, Plain Dealer:

> Rep. William E. Minshall (R) of Cleveland probably is more responsible than any other man for cuts of hundreds of millions of dollars being made in the Bomarc anti-aircraft missile program . . . Chief supporter of the third-term Republican has been the missile itself, which stubbornly refuses to pass its flight tests and which has lagged behind its development schedule. If Minshall is right, and if reductions now recommended by the House Appropriations Committee are upheld he will have earned his $22,500 salary for the next 3,000 years.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. MINSHALL. I would only add one thing and that is the gentleman who is now standing, the gentleman from Pennsylvania [Mr. FLOOD] is probably just as responsible, if not more responsible for helping to delete these funds than I.

Mr. FLOOD. That is all very fine, but it is only partly so. I did start at them about the Bomarc missile a number of years ago, but I dropped the ball and the gentleman in the well picked up the ball and did a lot of research and work on it and carried it through to where we now know where it is as of this afternoon. We have information but because of its classification, we cannot divulge it.

But I can remember using the expression on the floor at that time in the earlier days and in meetings with the Air Force people that this missile will not even be good enough to knock the starlings off the Archives Building in Washington where we are having a lot of trouble with that problem.

Mr. MINSHALL. I remember the gentleman making that statement—and it is just as true today as it was then—if not more so. Only, I might add further that what the gentleman mentioned, which is classified, secret, bears out what the gentleman has said.

Mr. FLOOD. Could the gentleman give us at least the amount of money—would the gentleman consider that classified or would he consider the whole document classified?

Mr. MINSHALL. I would be glad to do that. I have it in another document here that is not classified.

The Bomarc program was subsequently curtailed but not before nearly—in answering my colleague's query—nearly $3 billion tax dollars went down the drain.

In all candor, I feel that this will be the fate of the F–111B. But in view of the world situation, I am not pressing for

elimination today of these funds. I am giving the Secretary of Defense the benefit of every doubt for the sake of the security of our country. I hope that he is right.

As I said earlier, we have had days of testimony on the F–111B. Much of it has been deleted from the printed hearings for security reasons, and I might also say stamped "Secret" in many instances merely to protect Pentagon political interests.

Let me refer you to just a few excerpts which escaped the military censor's red pencil in this year's printed hearings.

On page 839, part 2, of our hearings:

Secretary Nitze: We do not have a F–111B which contains in it the changes which we think are either desirable or necessary to give us full confidence in carrier suitability.

Yet we are asked to spend more than $200 million to procure them 12 such aircraft.

On page 847, part 2, of this year's hearings, the following colloquy:

Mr. Minshall: . . . If you had it to do all over again would you follow the course the Defense Department has or would the Navy start over and design its own airplane?

Admiral McDonald, Chief of Naval Operations: I wasn't here at that time, Mr. Minshall. If I had been around at that time I might not be here now. . . . No, I would not have done it that way.

Mr. Minshall: What would you have done?

Admiral McDonald: I would have designed a plane giving full consideration to the weight limitations that are imposed upon operations from an aircraft carrier.

But they want us to procure 12 such planes immediately.

Look at page 234, part 4, of the hearings.

This colloquy is with Vice Adm. Thomas F. Connolly, Deputy Chief of Naval Air Operations:

Mr. Minshall: . . . There are a lot of things about the F–111B that have not been proven or checked out. Is that a correct statement?

Admiral Connolly: That is right.

Mr. Minshall: But you ask in this budget for 20 aircraft, F–111B, a bird that has not been checked out yet?

Admiral Connolly: Of course, Mr. Minshall, I am up here defending the President's budget.

And that is the crux of the Navy's argument when all is said and done. They are defending the President's budget—Mr. McNamara's budget, in reality, and they are being stifled in voicing their criticism.

The current issue of the Saturday Evening Post, in its excellent article, "Is This Plane a Billion Dollar Bungle," contains this significant quote in regard to the F–111B:

"There is a fear of recriminations," one highly placed source explains. "Most Navy people feel we have to go along on this and keep our mouths shut or there won't be any Navy."

Even so, sifting through the voluminous hearings, we find the Navy admitting to a serious lack of pilot visibility in the F–111B. Admiral Connolly, on page 229, part 4, himself says:

There is a lot of work to do on the airplane. There are configuration changes to make the visibility for the pilot better.

The combat ceiling of the aircraft is considerably lower than was originally considered desirable. Dr. Robert A. Frosch, the Assistant Secretary for the Navy for Research and Development, admitted on page 402 of part 3 that the Navy does not know whether the plane will flunk or pass all of the tests.

He told our subcommittee:

On the basis of flight tests with the final configuration aircraft we cannot expect to know that until next year.

I asked in subcommittee and I ask again on the floor today: Why does the Navy want the F–111B when it is such a questionable aircraft based on the testimony we have heard in years past? Look at what Adm. F. H. Michaelis replied to me under questioning a year ago in our defense subcommittee—and he was in charge of the program. The date was April 19, 1966. I asked him his opinion of the F–111B.

Admiral Michaelis replied:

It is a very questionable aircraft for carrying out the Navy mission . . . questionable to perform the missions for which it was designed in the Navy.

The Navy's lack of enthusiasm for the TFX is conspicuous on the record.

I assure you that, off the record, it is far more emphatic.

I debated long and hard with myself about introducing an amendment today asking that the $208.8 million procurement money for the 12 F–111B's be eliminated from the budget.

I know all of the facts about this aircraft. I feel strongly that it is as big and perhaps even more costly a mistake than Bomarc.

If this were 1960, when Bomarc was the issue, I would not hesitate for a moment to ask this House to eliminate procurement funds for the Navy's TFX.

Fortunately there were alternatives to Bomarc.

But under Defense Secretary McNamara there is no alternative to the F–111B.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MINSHALL. I will be glad to yield to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I thank the gentleman for yielding and I want to tell him of my appreciation for his good work on the Appropriations Committee. Apparently the committee got better answers from the military than it did from the civilians in connection with the F–111 planes. I was most interested to read on page 839 of the hearings the following colloquy:

Mr. LIPSCOMB. Does the Navy have in its possession now a F–111B that is carrier-suitable?

Secretary NITZE. We do not have a F–111B which contains in it the changes which we think are either desirable or necessary to give us full confidence in carrier suitability.

Mr. LIPSCOMB. So the answer is "No."

Secretary NITZE. We have not yet tested it on the carrier. The contractor claims it should be in its present configuration, but we do not believe that.

Mr. MINSHALL. Why not just say "No," Mr. Secretary?

Secretary NITZE. I want to be precise.

Mr. MINSHALL. "No" is a pretty precise word.

Secretary BROWN. Some things can be precise without being accurate.

This appears to be another contribution to the credibility gap and evasion that seems to flourish in the Department of Defense under Secretary McNamara.

Mr. MINSHALL. Mr. Chairman, I will let the gentleman decide that for himself. I think the record speaks for itself. There were some evasive answers on this subject, many of which do not appear in the printed record, but I believe this colloquy the gentleman has so well pointed out typifies the response of the Pentagon to the F–111B program.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. MINSHALL. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, I appreciate the gentleman's remark that in spite of his reservations on this system, at this juncture in world affairs, the situation being what it is, he does not propose to offer an amendment to further curtail or cut back or slow down this program. I feel very strongly that any such an amendment would be a grave mistake. The Navy says it needs this plane. Is it not true that, in spite of any of the developmental problems that have occurred, as might be fully understandable in any such revolutionary new program, this program, according to the Navy and the Air Force, still represents the greatest single advance in the state of aerial warfare, wrapped together in a single package, that we have ever had? This is how Secretary Nitze and the program project officers expressed it to me and it seems to me that they should know.

Mr. MINSHALL. I believe when the history is written, we will know more about that.

I would like to point out I believe the F–111B part of the program will be the most significant failure—if the gentleman has been listening to my remarks—that we have ever had in this country since the Bomarc boondoggle.

Mr. WRIGHT. I am sure the gentleman does not want it to be a failure.

Mr. MINSHALL. I certainly do not. I said in my remarks I hope Secretary McNamara is right, and that is why I gave him the benefit of every doubt and did not move to strike out the funds for the Navy version of the TFX commonly known as the F–111B.

Mr. WRIGHT. I believe history will prove Secretary McNamara right. I, having had some familiarity with the program, believe it will be a truly great success.

Mr. MINSHALL. The gentleman should know about it. He is from Texas and he should know.

Mr. WRIGHT. That is exactly correct. I have had the privilege of following this program very closely since its inception. The F–111B, however, is not made in Texas but in New York. But if I had been from California or Florida or any other State, knowing what I do about this program, I would be just as strongly for it.

Mr. MINSHALL. I would like to conclude by saying: that despite the fact

that it cannot perform its original mission, the substitution of existing aircraft might or might not be feasible.

This is not 1960. The world climate has changed radically from those cold war days.

International tensions are near the breaking point. We are in a hot war in Vietnam. We have just witnessed an explosion in the Middle East. The world is holding its breath until a new trouble spot erupts.

And, thanks to the omnipotent man in the Pentagon, we are stuck with the Navy TFX, at least for the immediate future.

In deciding not to offer an amendment striking procurement funds for the F–111B, I can only echo the words of the eminent Senator RUSSELL of Georgia:

> If (McNamara) is right, we will save a few dollars.
>
> If he is in error, may a benign Providence save these United States.

Mr. MAHON. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. ANDREWS].

Mr. ANDREWS of Alabama. Mr. Chairman, first I should like to pay my respects to our distinguished chairman, the gentleman from Texas [Mr. MAHON]. I have served under three chairmen of the full Appropriations Committee during my tenure in office, and I have yet to see one who in my opinion has done a better job than has the gentleman from Texas.

This is a big bill. It is the biggest bill that will come before the Congress—$70,295,200,000—to provide the weapons of war for our servicemen who are today engaged in what I consider to be one of the worst wars, if not the worst war, this country has ever been involved in.

There are high ranking members of the military who have agreed with that statement; namely, that this is the worst war this Nation as ever been engaged in.

Unfortunately, Mr. Chairman, it seems that only those who have relatives in the jungles of South Vietnam are concerned about this war. The man on the street, who has no son or no relative in South Vietnam—and the Members know it—has an attitude of "I couldn't care less."

I want to pay my respects to that little country of Israel. I hope the leaders of this country will learn something from the actions of Israel last week. I believe the record of that war is one of the most brilliant chapters ever written in the history of wars.

A little nation, completely surrounded by enemies, outnumbered 3 to 1 both in personnel and in equipment, with full knowledge of the fact that Russia was threatening to go to the aid of her enemies, won a war in the unbelievable time of about 5 days.

It was for one reason, Mr. Chairman. Israel fought that war to win. Israel carried out the statement made by the late General MacArthur, that in war there is no substitute for victory.

Israel cared nothing for the threats of Russia. Figuratively speaking, she used the words of Admiral Farragut when she said, "Damn the Russians, full speed ahead." And, bless her heart, she came out victorious because she fought that war to win.

My great concern, Mr. Chairman, is that our people are not fighting the war to win in South Vietnam. Either one of two things is happening. Either we are not fighting to win, or we cannot win. It is one of the two.

I will say that if this great and powerful Nation, the most affluent nation in the world, cannot whip a little country like North Vietnam, which is not as big as the State of New Jersey—a little nation that has no air force and has no navy—then we have no business in the war business, and we ought to beat our swords into plowshares and declare to the world that we are a nation of Quakers and get out of the war business completely.

Something is going on that I cannot pinpoint. I know that I have talked to many, many, many military men.

I have been on this committee for 23 years. I asked a very high-ranking officer, "Do you have enough equipment?" His answer was, "Yes, sir." I asked, "Do you have enough planes?" He said, "Yes, sir." I asked, "Do you have enough guns and ammunition?" He said, "Yes, sir." I asked, "Well, why can you not whip that little country of North Vietnam? What do you need to do it?" His answer was, "Targets—targets."

Now, you know, if we had sent a team of experts all over the world looking for the very worst place to commit our troops, that team of experts would have come back with a report that would have had South Vietnam high on the list as being the worst place to commit troops.

During those 23 years I have been on the committee military men have told me and the committee that in a guerrilla-type war you cannot hope to win unless you have a superiority of 10 to 1. We have nothing like that superiority today in South Vietnam.

According to the latest reports, we have approximately 435,000 men in South Vietnam. General Westmoreland recently said he needed 200,000 to 250,000 more troops in South Vietnam. The French stayed there for 10 years fighting. They had the best troops in the world down there, members of the Foreign Legion. The French had 600,000 troops in South Vietnam. Did they win? The answer is no. I do not believe you can win a land war in Southeast Asia. You must have a superiority of 10 to 1. One man in the jungle with a rifle is worth 10 men out in front of him.

My prediction here is that if this war continues to be fought as it has been for the last 6 years, we will be there at least another 20 years. To say that this great Nation is pinned down in South Vietnam is an understatement. We are pinned down by a little nation that will not rate 75th in the family of nations. That little nation today has the most powerful, the most affluent nation in the world pinned down. And I say that is an understatement.

We can win if we fight to win, in my humble opinion. I think the most courageous decision ever made in the history of this Nation was made by former President Harry Truman when he ordered the use of atomic weapons at Hiroshima. He served notice on the Japanese Government, "You surrender within 3 days or expect further bombings." Hearing nothing from the Japanese on the third day the second bomb fell on Nagasaki, and the war ended, and literally thousands of lives were saved, because we had planned for the first week in November of 1945 what would have been the bloodiest invasion in the history of the world. Maybe some of you men were in the Pacific at that time waiting for the invasion onto the main islands of Japan the first week in November of 1945. The courageous action of Harry Truman brought that cruel World War II to an end. That second bomb which fell on Nagasaki was the last bomb that we had in our arsenal. We could not have gotten additional bombs until March or June of 1946.

I think we can win this war if we fight to win, but if we continue going as we have for the last 6 years, we will never win. I told the Secretary of Defense when he was before the committee, we have to get tough in order to win this war. Power is the only thing that the Communists understand. I remember when I served as district attorney in Birmingham, Ala., an old police officer told me, "You must never pull a gun on a man unless you are ready to kill him." The same advice is good for a nation that commits troops to battle. Never send troops into battle unless you are willing to back them up with every resource at your command. And, not to do that for those kids in South Vietnam is a criminal shame and an injustice.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. SIKES. Mr. Chairman, I yield the gentleman from Alabama 2 additional minutes.

The CHAIRMAN. The gentleman from Alabama is recognized for 2 additional minutes.

Mr. ANDREWS of Alabama. Mr. Chairman, I told the Secretary, "Mr. Secretary, let us win this war. The people are getting restless. Our casualty lists are going up now to the point where the number killed runs anywhere from 250 to 300 a week. Now, let us pick up that telephone and call those people in Hanoi and tell them we will give them 30 days to get out of South Vietnam, and if you are not out within 30 days, then we are going to bring you to your knees. We think we can do it with conventional weapons but, frankly, I would have no compunctions about using the big weapon to bring this war to an end and thus save the lives of young Americans."

Mr. Chairman, there are those who say that it might jeopardize the lives of the people in this country. So what? This is war. And, we all should share the burden. And I am thinking of that kid in the snake-infested, malaria-infested, sniper-infested jungle. That little fellow's life is in danger 24 hours a day. I hope that we can follow the courage of Israel and Harry Truman and bring this nasty, dirty war to an early conclusion.

Mr. LIPSCOMB. Mr. Chairman, I yield 15 minutes to the distinguished gentleman from Ohio, the ranking minority

member of the full Committee on Appropriations [Mr. Bow].

Mr. BOW. Mr. Chairman, I appreciate what my distinguished friend, the gentleman from Alabama [Mr. ANDREWS], had to say about what happened in Israel, because what I am going to speak about today took place over there, since I think that war—and I believe the gentleman from Alabama would perhaps agree—was won by civilian soldiers, their reserve components—a great many of them—rather than the Regular Army units over there.

So, Mr. Chairman, I would like to talk a little about the realinement of the Guard and the realinement of our Reserve combat units.

Mr. Chairman, I was very much disturbed when I learned that the Pentagon had decided to wipe out 15 National Guard divisions and a number of Reserve units and set up eight divisions and absorb many of those that were being taken over.

Mr. Chairman, I think every member of this Committee has in the past had great pride in the Guard units of their respective States. I know I have great pride in the great 37th Division of the State of Ohio.

Mr. Chairman, in 1963 four Guard units were deactivated, the primary reason being given for the elimination of these divisions was the alleged inefficiency resulting when command was divided.

Now, Mr. Chairman, that is exactly what they are doing in this reorganization plan. They are dividing the command. They are taking these divisions and setting up brigades and assigning many of the brigades of your States to other States.

Now, all of this was done without the consent or the knowledge of the Congress of the United States.

Mr. Chairman, permit me to cite to the Members of the Committee section 104 of the United States Code which states that no change in the branch, organization, or allotment of a unit located entirely within a State may be made without the approval of its Governor.

Section 104(c) goes on to say:

> To secure a force, the units of which when combined will form complete higher tactical units, the President may designate the units of the National Guard, by branch of the Army or organization of the Air Force, to be maintained in each State and Territory, Puerto Rico, the Canal Zone, and the District of Columbia. However, no change in the branch, organization, or allotment of a unit located entirely within a State may be made without the approval of its governor.

The plan was made by the Pentagon was taken up with the adjutants general of the various States in Indianapolis a few weeks ago prior to its being considered by any committee of this Congress. I believe after they had made their plan and met with the adjutants general they took it to one of the subcommittees of the Committee on Armed Services but not to the Congress.

I have been advised they take great pride over at the Pentagon in the fact that nine Governors have already approved of this plan after some weeks, nine out of 50. I know at least one Governor who has vetoed the plan.

What I am disturbed about is how they can go ahead in the executive branch of the Government and take away these units from the States without any consideration of the Congress. I say to you that the Congress has the authority, as the law provides, to take some part in the determination of the setup of these organizations.

I have been greatly tempted to offer an amendment to this bill which would limit and prohibit the Defense Department from making these transfers. It could be done with a limitation. However, the distinguished gentleman from Florida [Mr. SIKES] offered an amendment to the report. He accepted one amendment which I offered to his report. And I call your attention to that on page 7 under realinement of Army Reserve components, in which is said:

> The Committee has considerable misgivings over the prospect of disbanding combat units of the Reserve Components in a time of crisis. The proposal for a major realignment

And we go on to say why. Then we say in the report and direct, "that the proposed realinement be deferred pending such time as formal legislative expression can be made in the matter."

It seems to me, when a Committee on Appropriations directs them to withhold until there is legislative authority, that the Defense Department should accept that direction. And with the statement made here on the floor by the distinguished chairman of the Committee on Armed Services, the gentleman from South Carolina [Mr. RIVERS], who said the other body is going to consider H.R. 2, and that he was opposed to the realinement and the taking down of these divisions, I am with some reluctance going to withhold my limitation amendment.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman.

Mr. SIKES. Mr. Chairman, the gentleman should be commended for his interest in this important subject. I am sure he would want me to call attention at this point to the fact that the action of the Committee on Appropriations in directing that this reorganization not be affected pending further action by the Congress was unanimous on the part of a 51-member committee and, that only in deference to the fact that ours is an appropriation committee and not a legislative committee, was the language placed in the report rather than written into the bill as a binding limitation.

Mr. BOW. The gentleman is correct. I may say to the gentleman I was prepared at that time to offer the limitation in the committee, but the gentleman's language as amended in the report caused me to withhold the offering of the amendment. I am going to withhold the amendment today, on the basis that the Defense Department will take cognizance of this discussion and of the language in the report, until H.R. 2 is acted on by the other body and comes out of conference and until there has been a conference on this bill.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman.

Mr. LIPSCOMB. I want to join the distinguished gentleman from Ohio in his remarks and support him one hundred percent. I believe that with the gentleman from Ohio [Mr. Bow] laying this on the record, it will help the Department of Defense to realize that the Committee on Appropriations, by the language in the report, means exactly what it says.

I believe it is incumbent upon the Department of Defense to withhold this realinement until it gets some good and adequate expressions of the Congress of the United States as to just what should be done and how it should be done. Therefore, I commend the gentleman in the well for his remarks and offer him my support.

Mr. MINSHALL. Mr. Chairman, will the gentleman yield?

Mr. BOW. I am delighted to yield to my colleague, the gentleman from Ohio.

Mr. MINSHALL. Mr. Chairman, my colleague, the gentleman from Ohio, as usual has made an outstanding statement regarding the realinement of the National Guard and the Reserve units throughout the country. He is certainly to be commended and I join him in everything that he has said.

At this time, Mr. Chairman, I would like to read an article which appeared in the Cleveland Press concerning the 37th Division which my good friend, the gentleman from Ohio [Mr. Bow] has mentioned.

The article is as follows:

TAPS FOR THE 37TH?

Unless the order is reversed, Ohio's proud 37th Infantry Division is about to slip into history after having helped make it for a half century.

The death warrant for the Buckeye corps, identified by its round red and white shoulder patch, was handed down yesterday when the Defense Department announced its retirement after maneuvers this summer. It is part of the Pentagon's streamlining program for the Army National Guard.

For Ohio National Guard officials, the news was not surprising. More than two years ago the Pentagon announced its modernization intention, and many observers expected the 37th to be demobilized then.

Writing at that time of the 37th's impending retirement, Press Military Editor Robert Stafford said: "It has a record of gallantry in combat unmatched by any other National Guard division, of conduct above and beyond the call of duty in three wars, and of patriotic response to any call to service in peace as well as war."

Stafford pointed out that the 37th's record is all the more impressive because it was compiled by "weekend warriors"—the civilian-soldiers suddenly called to fighting duty.

They became professionals fast, though, as the Germans can testify in World War I (Meuse-Argonne front) and the Japanese in World War II (Bougainville).

Eight members of the 37th have won Medals of Honor. One of them was Pvt. Rodger Young whose heroism was memorialized in the famous "Ballad of Rodger Young."

The fighting 37th, 1917–1967. Ohio—and the nation—can be proud.

Mr. BOW. I appreciate the gentleman's remarks and am glad that he has read this statement from the Cleveland Press into the RECORD.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. BOW. As always I am delighted to

yield to my good friend, the gentleman from Wisconsin.

Mr. LAIRD. I thank my distinguished friend, the gentleman from Ohio, for yielding to me at this time.

I know of my colleague's long interest in the National Guard and the record of the State of Ohio Guard units. I too come from a State that has a long and distinguished history with our 32d Division during World War I, in World War II, and again during the Berlin crisis. It was one of two National Guard divisions that were called up by President Kennedy. It was combat ready in a very short period of time.

I think it is important that the language suggested by the gentleman from Florida and the gentleman from Ohio and contained in this report be called to the attention of every Member of this Committee.

I am confident that the Department of Defense will honor this language and that a congressional committee will be given an opportunity to have a thorough review in connection with the bill, H.R. 2, which is currently before the other body.

I have been assured that in the case of Wisconsin our National Guard unit can maintain some identity of its own by probably changing its name from the "32d Division" to the "32d Brigade." It will be an independent brigade.

I think it is important that this be thoroughly reviewed by the legislative committees of both the House and the Senate and that the language sponsored by the gentleman from Florida and the gentleman from Ohio does just this. I think they have made a valuable contribution to this report and to the consideration of this bill, and I commend them for their interest and the job that they have done in behalf of the National Guard and the Reserve.

Mr. BOW. I thank my colleague, the gentleman from Wisconsin.

May I say in addition, that under the change suggested of calling the division a brigade rather than a division, it would no longer be a complete unit and the plan contemplates the elimination of major generals and a couple of brigadiers and at least eight colonels. In other words, the divisions will be eliminated if they are changed to brigades.

These men have been trained for command. And this is the important element. If you are going to keep manpower, this is important. But you are going to have stretcher bearers, cooks, bakers, and others to fill it up. You will take from the top echelon all these combat-ready divisions.

Mr. LAIRD. Of the Reserve. The gentleman is talking about the Reserve. The National Guard brigade will be a combat brigade.

Mr. BOW. But you are going to lose your top officers. You are going to lose eight colonels in that division and you are not going to have a complete unit. You are not going to have artillery support. I recognize the brigade as one thing. Some of these brigades will be under the command of other States and National Guard units.

I should like to make one other statement and then I shall be glad to yield to both of my friends who would like me to yield. I would like to point out why I believe Congress has a great stake in this. Does the Congress have anything to do with it, or is it Mr. McNamara's computers that can do all of these things?

I would like to refer to the Constitution of the United States, which many of us forget to read at times. What does the Constitution have to say about this?

In article I, section 8 of the Constitution there appears the following language, giving powers to Congress. The Congress has the power—

> To raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than two Years;
>
> To provide and maintain a Navy;
>
> To make Rules for the Government and Regulation of the land and naval Forces;

That is the responsibility of Congress. Continuing to read:

> To provide for calling forth the Militia to execute the Laws of the Union, suppress Insurrections and repel Invasions;
>
> To provide for organizing, arming, and disciplining, the Militia, and for governing such Part of them as may be employed in the Service of the United States, reserving to the States respectively, the Appointment of the Officers, and the Authority of training the Militia according to the discipline prescribed by Congress;—

Not by the Secretary of Defense.

There are four, five, or six paragraphs in the Constitution outlining the authority of the Congress.

Some of you will say to me, "The President is the Commander in Chief."

That is correct. Let us turn to the language of the Constitution that gives him his authority, after reading these paragraphs on the authority of the Congress in this matter. Under the Constitution, which we have taken an oath to support and defend, article II, section 3, states:

> The President shall be Commander in Chief of the Army and Navy of the United States, and of the Militia of the several States, when called into the actual Service of the United States.

He is the Commander in Chief. He will decide where we are going to bomb and to send troops after we raise them, after we get up the organization of them. That is our responsibility, not the computers in the Pentagon.

So I urge my friends that if we get into this question in H.R. 2, where if we find they have violated this direction in the committee report, the Congress will accept its responsibility under the Constitution and see to it that these units are not destroyed.

I would like to speak a little more about the units, but first I yield to my friend from Pennsylvania.

Mr. FLOOD. I thank the gentleman. As the gentleman knows, some of us have been at this for a number of years. I compliment the gentleman on his position, especially his reference to the Constitution. Of course, my leader on this subject is the distinguished gentleman from Florida, both on the Reserve and the Guard. I rise only to join with my friend, the gentleman from Wisconsin [Mr. LAIRD]. I am from Pennsylvania. Of course, everyone has heard of the 28th Division. You do not have to go beyond that.

Mr. BOW. I might say to the gentleman that I congratulate him. The 28th Infantry Division is going to stay in existence. It is not one of the 15 divisions that have been taken away. But the 28th Infantry Division of Pennsylvania will include a Pennsylvania brigade, a Maryland brigade and a Virginia brigade.

So the great old Pennsylvania division of the hometown boys is now going to be infiltrated.

Mr. FLOOD. Except that a number of years ago my grandfather had trouble with some of those fellows at Gettysburg, and they found that if you cannot lick them, you join them.

Mr. BOW. The gentleman is correct, and it raises a rather interesting question about how they are going to get along with each other.

Mr. FLOOD. Oh, just like we do here.

Mr. BOW. Fine.

Mr. BRAY. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Indiana [Mr. BRAY].

Mr. BRAY. Mr. Chairman, I congratulate the committee for making this very fine effort, which we hope will be successful, to save the destruction of the Guard and Reserves. I read very carefully the section of the report entitled "Realinement of Army Reserve Components," which is on page 7 of the report. I do want to say that it does express the intent of Congress, that the Secretary of Defense go no further in destruction of Guard Reserves until Congress has the time and the opportunity to do something about the matter.

I want also to mention that for the last 6 years there have been organizations, reorganizations, and attempted reorganizations and rumors of reorganizations, each of which would make the Guard and Reserves a weaker and less effective force.

I do want to say we must do everything we possibly can to save and strengthen the Guard and the Reserve. The constant reorganization, the constant threat of reorganization, is destructive of the morale of any unit. That is academic. The fact that the Guard and the Reserve have been able to maintain their morale and their willingness to perform—in spite of the tremendous handicap that has been placed upon them by this constant changing policy and the constant attempt to reduce and reorganize and reorganize, which has been going on now for 6 years—is very commendatory of the officers and men of those services.

Also I want to mention here an article in the New York Times of June 13, 1967, by Charles Mohr, entitled "Rapid Mobilization of Reservists a Key Factor in Israel Victory." The article is as follows:

RAPID MOBILIZATION OF RESERVES A KEY FACTOR IN ISRAEL VICTORY

(By Charles Mohr)

BANIYAS, SYRIA, June 12.—The Israeli Army is a highly professional striking force but it is composed overwhelmingly of amateurs.

Israel's military reserve and mobilization system, a model of efficiency, constituted one of the major factors in the quick victory achieved against the Arabs.

The army that destroyed six Egyptian divisions in the desert, conquered Jerusalem and dislodged the Syrian Army from fortified hill positions did not exist physically four weeks ago. It existed in the card indexes of the offices of reserve units in every Israeli town and city. Some of the best units were combat-ready only twelve hours after commandeered taxis began delivering call-up notices to Israeli homes, mostly on the evening of May 20. Even "sloppy" units were ready within 48 hours.

It is this reserve-mobilization system that gives Israel a highly responsive striking force without imposing on her the burden of supporting a large regular army. It is a volunteer army in a real sense. During the present crisis some reserve units had a 108 per cent response to the call-up as overage and discharged reservists tried to get back into combat units.

There were almost no evasions of the call-up orders. "Next to Nasser," said a lieutenant colonel, "our biggest obstacle to success was people arguing with us and trying to get in the action."

LIFE ENDS AT 45

"I don't know about other countries," said another officer, "but in Israel the male climacteric comes at 45 when you must leave the active reserves. We say life ends at 45."

For the ingenious, however, there are ways to see action after 45 and they were eagerly taken advantage of. Part of the Israeli war plan is to mobilize a large number of civilian vehicles. The owners of such vehicles have the right to volunteer to drive them even if overage, and most owners did so almost joyously.

There is universal conscription for both boys and girls, the former serving 30 months and the latter 20 months, usually at about age 18.

These conscripts spend their entire active service in training because the Israeli staff believes that only a superbly trained army can protect the country. No time is wasted on garrison duty or in occupying static defense posts. Normally a special border police force guards the nation's frontiers.

REGULAR FORCE IS SMALL

Thus the conscripts in service are not really a part of the "regular" army, although the description is usually applied to them. The true regulars consist only of a small group of officers of the rank of captain and above and senior noncommissioned officers—a nucleus around which the army is built at full mobilization.

After national service training men are assigned to reserve units and remain in them until age 45. Those reservists keep basic personnel equipment, such as fatigue uniforms, webbing boots, at home.

Like most democratic nations, Israel has a grumbler's army in peacetime, and a 90 percent response to annual training call-ups is considered good.

"Every device of the human imagination is used to avoid the training call-ups," an officer said, "and although by law we are allowed to call men up for 30 days each year, political pressures mean that most men get less than a week's training each year, which is not enough.

"But when war comes, all this changes and the same men who have fought for exemptions fight to get back in."

The call-up notices are usually delivered at night or in the evening by taxi drivers and other messengers because, as one staff officer says, "They are at home then and that is when you catch your fish."

One Haifa civilian who fought his way to this Syrian town described it this way: "I came home from a drive with my wife and children and there it was—greetings!"

The summoned reservist makes his own way to the armory or storehouse of his unit, where he is issued weapons, ammunition and other equipment. None of this is as smooth or easy as it may sound for the small number of regulars who must maintain these stores in a state of readiness.

"Even the flashlight issued to a company commander must be filled with fresh batteries," said one regular.

Ideally, the plan is that every tank and jeep should be able to start at a touch of the ignition button. Fuel is regularly changed, batteries are checked and radiators are kept flushed.

The military system is built around a philosophy that is almost totally offensive and does not anticipate prolonged defense. Israel's military doctrine is essentially to attack, but first, to plan for the attack.

On the first day of the war, 25 Arab airfields were bombed and strafed, some repeatedly, within three hours. On the Syrian front, assault infantry units knew far in advance exactly how they would tackle Syria strongpoints.

Though discipline sometimes seems informal, that does not mean it is lax. Instant and determined response to combat orders is expected and officers who let an attack bog down may be removed almost immediately from command.

This article very clearly shows that the reserves of Israel were most effective. Perhaps if the Secretary of Defense would discuss the use made of reserves in the recent Egypt-Israel war with the commander of the Israel Army, he might receive some good advice as to strengthening of the Guard and Reserves instead of weakening them.

Mr. BOW. Mr. Chairman, I thank the gentleman.

In conclusion, I would like to say that in World War I the Guard units of the various States were immediately called into action and the Guard units served admirably and with great distinction throughout that world war. Our 37th was one of those.

Then came World War II, and one of the first divisions activated was the 37th Division of Ohio. It made the long trek back to the Philippines and the return of the Pacific and South Pacific to victory. It was my great honor to be with them, not as a member of the division, but as a war correspondent with the 37th Division, from the landing at Lingayen through the trip down into Manila, through the liberation of Manila, and the liberation of Baguio, through the battles up over Balate Pass and down into the Cagayan Valley. I saw this great division operate. May I say it is one of the very few divisions that left this country early in the war with Maj. Gen. Robert S. Beightler commanding—one of our great commanding officers. And after Bougainville and Guadalcanal and going up through the Pacific, it returned victorious after the war, with Major General Beightler still commanding the division.

Very few divisions in World War II went out with their original commanders and came back with them.

These units have been depended upon for the preservation of our freedom over the years. They have been ignored and now are being decapitated. Fifteen States are going to lose these great divisions.

Mr. Chairman, I hope that the Defense Department will pay heed to this language in the report and that it will not be necessary again to discuss this question until the House has had an opportunity, with the Senate, to bring in legislation which will protect these fine units.

Mr. Chairman, the plan contemplates the elimination of one major—general officer—and eight—colonel or lieutenant colonel—subordinate commands within each combat division. The headquarters scheduled for deactivation are integrated units possessing the required tactical, logistical, and administrative capabilities for command and control of their subordinate units. Long years of training and close coordination is necessary to train these cohesive command and staff entities. There appears to be no evidence of any replacement for these control headquarters which would retain the years of experience and close coordination.

The proposed plan will require such a multitude of headquarters to clear command and control matters that efficiency will be lost. For example, the 38th Infantry Division based in Indiana has brigades in Ohio and Michigan. Three Governors, three adjutants general, three State headquarters detachments, and two U.S. Army areas will become involved in all actions of the 38th Division.

Command and control of a combat division requires a highly trained and effective team of commanders and staff members at all levels. The higher the level of command the more complex and demanding the mission becomes. Confidence is gained through experience and frequent contacts between all levels of command and staff. The requirement to coordinate all matters with such a multitude of higher headquarters is unrealistic.

An infantry division deactivated, and replaced with an infantry brigade consisting of a headquarters and three infantry battalions represents a loss of 927 officers, ranging in grade from second lieutenant to major general, and the years of experience represented by their total commissioned service.

Based on commissioned service, and only minimum times in each grade, the officer personnel of an infantry division represent a minimum of 4,113 years of military experience.

Mr. Chairman, may I refer to the proven competency of National Guard officers.

National Guard officers have proven efficiency through all periods of service. The following extracts from Jim Dan Hill's book "The Minute Man in Peace and War" shows various comparisons between Regular Army and National Guard officers during World War II.

At the time of induction in 1940 there were 21 major generals in the Regular Army and 21 major generals in the National Guard. as of January 1, 1945, five, or 23 percent, of the Regular Army major generals were still in the service and that nine, or 42 percent of National Guard major generals were still in the service.

At the time of induction in 1940 there were 45 brigadier generals in the Regular Army and 74 brigadier generals in the National Guard. As of January 1, 1945, 26 or 57.8 percent. of the Regular Army

brigadier generals were still in the service. As of June 30, 1945, 43, or 58.1 percent, of the National Guard brigadier generals were still in the service.

At the time of induction in 1940 there were 704 colonels in the Regular Army and 273 colonels in the National Guard. As of January 1, 1945, 273, or 39 percent of the Regular Army colonels were still in the service, and that 148, or 54 percent of the National Guard colonels were still in the service.

Of the 1,100 lieutenant colonels inducted in 1940, 883 were still in the service at the end of the war.

Of the 1,379 majors inducted in 1940, 1,129 were still in the service at the end of the war.

Of the 14,604 company grade officers inducted in 1940, 12,405 were still in the service at the end of the war.

Additionally, 3,168 enlisted men held reserve officer commissions and were commissioned when inducted in 1940. Of these, 2,686 were still in the service at the end of the war.

More than 75,000 National Guardsmen received commissions through the officer candidate school program during World War II.

It is of particular significance that the losses expressed in the various grades were results of all factors, from losses in combat to physical disability, but that the age in grade policy established just before Pearl Harbor caused more separations than any other single cause.

Let us consider the impact of reorganization on unit efficiency.

The redesignation of units will in many instances, involve a change of branch which results in changes in mission, organizational structure, equipment requirements, personnel, and required skills.

This so-called "streamlining," while effectively accomplished on paper, renders redesignated units relatively ineffective during the transition period required to completely effect the change due to the following:

First. Negates existing training results, and generates a requirement for the development of new training programs.

Second. Time required for procurement of new and/or different equipment.

Third. Lack of qualified officer and noncommissioned officer personnel in the new branch.

Fourth. Loss of time and continuity as a result of adjustments in command structure.

Fifth. Increased administrative requirements—administrative actions, records, supply transactions, and so forth.

Sixth. Effect on morale.

Let us consider also the loss of hard skills as a result of deactivation of divisions.

Inasmuch as the retention and placement of personnel in the National Guard is predicated on authorizations contained in tables of organization and equipment, the deactivation of divisions and their replacement with brigades will render hard skilled and professionally qualified personnel in the following categories as excess: Fixed- and rotary-winged aviators; medical and dental professional personnel; legal professional personnel; signal, engineer, and logistical career field personnel; and, maintenance personnel.

It is noted that all artillery with the divisions is eliminated without an apparent replacement. With five artillery battalions to be lost in each division this is an elimination of 75 battalions.

Military doctrine as taught in the U.S. Artillery and Missile School requires the assignment of minimum necessary artillery to the combat division. It is axiomatic that additional artillery must be available to the divisions from corps and Army.

No provision appears to have been made in the troop list for artillery to reinforce that contained organic to a combat division.

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. BOW. I am delighted to yield to my colleague.

Mr. MYERS. Mr. Chairman, it is with deep concern that I discuss with you, my colleagues of the House of Representatives, a proposal recently announced by the Defense Department to reorganize again the Reserve components of the Army.

The Secretary of Defense acknowledged in his annual posture statement on the military forces that he could not merge the Army Reserve into the National Guard. The Congress, following months of investigation in depth and extensive hearings, has twice rejected the Defense Department's proposal to merge the Army Reserve into the National Guard, and has established the requirement for maintenance of separate components in the appropriations bills and the Reserve bill of rights which has been passed by the House of Representatives in this session as H.R. 2.

In December 1965, the Secretary of Defense ordered 748 Army Reserve units inactivated, saying this was necessary in order to eliminate the low-priority units. He declared these low-priority units were not needed in the Army's contingency plans.

All six combat divisions of the Army Reserve were inactivated and approximately 55,000 well-trained Army reservists were affected in the 748 units eliminated.

These inactivations were ordered by the Secretary of Defense in direct defiance of the expressed wish of the Congress that the action should not be carried out until the Congress had an opportunity to review the proposed unit inactivations.

The Defense Department said the inactivations had to be completed by December 31, 1965, in order to eliminate units that were low priority and were not needed under the contingency plans. It hastened to accomplish the destruction before the Congress came back into session in January.

At the same time, it should be noted that there were twice as many low priority units in the National Guard, also presumably not part of the contingency plans, but the Guard's units have not been touched.

I would not in any way cast a reflection on the fine dedication and service of the officers and men of the National Guard. However, I cannot but wonder at the Defense Department's deliberate and persistent moves in these last 24 months to destroy the Army Reserve in violation of the desires of Congress.

The Secretary of Defense has further said in his posture statement of this year that, since the Congress has not approved the merger of the Army Reserve into the National Guard, he was directing the Secretary of the Army to find other ways of accomplishing the same objectives. In other words, under orders from the Secretary of Defense, the Army must find ways to reorganize the Reserve into the Guard and thus to circumvent the will of the Congress.

The words are not the same, but the intent is clear.

And so the Army has now prepared this new reorganization proposal which should be reviewed with that background in mind.

I am informed that this reorganization proposal includes the following:

First. Inactivating all combat and combat service support units in the Army Reserve. This includes four high priority, immediate ready brigades that are part of the required contingency force structure.

Second. A reduction of the Army Reserve's strength to 240,000, which is 20,000 below the minimum strength of not less than 260,000 mandated for the Army Reserve by the Congress.

Third. Establish the strength of the Guard at 400,000.

Fourth. Eliminate the 15 low-priority Guard divisions and convert them to brigades.

The effects of this reorganization—which is nothing more than a further piecemeal implementation of the merger—are far reaching with a heavy impact on Reserve component readiness that the casual announcement of the Defense Department does not reveal or indicate.

Consider these untold facts:

First. The Joint Chiefs of Staff did not recommend or approve a reduction on the Reserve components below 660,000—400,000 for the Guard and 260,000 for the Army Reserve. I am told their recommendations for the Reserve components are said to exceed 660,000.

Second. The four-star commanding general of the U.S. Continental Army Command which is responsible for training and preparing for combat all the units going to Vietnam has not concurred with the plan because of the loss of unit readiness it would cause.

Third. The chief, Army Reserve, a man of 40 years' experience in the National Guard, Regular Army, and the last 17 years in the Army Reserve, does not concur with the plan. The chief, Army Reserve, is responsible for the personnel, training, and equipping of the entire Army Reserve.

Fourth. The Army staff is reported in disagreement on the proposal, even though the matter is one of special interest to the Secretary of Defense personally and a proposal which the Regular Army has been "expected" as "good soldiers" to support.

This is evidenced by the fact that when the Section 5 Committee voted on

the plan that vote "approved" the plan by a slender margin of only one vote—11 to 10.

In the committee there are seven National Guard members who may be presumed to have voted for the proposal. The seven Army Reserve members were 100 percent against it. This left the seven Regular Army generals, members of the Army staff agencies, divided 4 to 3 on the proposal.

Fifth. The General Staff Committee on Army Reserve, made up of seven Regular Army members and seven Army Reserve members voted 9 to 5 against the proposal. They also voted to keep combat units in the Army Reserve and to maintain an average strength in the Army Reserve of not less than 260,000.

Sixth. More than 300 well-trained, Immediate Ready Army Reserve units with a strength of almost 40,000 would be inactivated under the plan, only to turn about and immediately reactivate new identical units in the Guard, or upgrade, train, and equip low priority Guard units in order for them to reach the already existing immediate ready standards of the Army Reserve units that would be inactivated.

Seventh. All units of the Army Reserve are now immediate ready, high priority units that are part of the contingency plan requirements.

Eighth. The Guard's structure now includes more than 100,000 in the low priority category, not part of contingency requirements. Yet, the Pentagon is pushing for the inactivation of the Army Reserve's high priority units that are essential to the contingency plan.

Ninth. In the Army Reserve alone, tremendous turbulence would result from this proposed reorganization. It would disrupt more than one-third of the entire Army Reserve and many thousands of dedicated, trained men will be left with no units in which to train.

The Congress traditionally has supported the needs of the national defense and the Nation's security has been regarded above all else. The element of cost has been a secondary consideration.

However, we cannot overlook the cost to the taxpayer, especially when a proposal is submitted which has apparently subordinated real military requirements and the needs of the national defense to other considerations of questionable nature.

This reorganization would destroy well-trained units of the Army Reserve that are needed in our contingency plans only to activate or build up other similar or identical units in the Guard. The trained officers and men of these Army Reserve units would, for the most part, be lost, just as they were in December 1965 when the previous large-scale Reserve inactivations took place.

These units of the Army Reserve and their personnel have been trained and equipped at great expense and now we are to be asked to condone their inactivation only to turn around and activate the same type units in the Guard, or to take low priority units in the Guard and bring them up to the standards of the already existing Army Reserve units being inactivated.

This defies understanding.

There seems to be no real military justification for the plan.

We know from the hard lessons of the 1965 inactivations of the 748 Army Reserve units that their personnel will not volunteer for service in the Guard. When those units were inactivated, the end result was that only about 2 percent of the Army reservists volunteered for service in the Guard. The rest of those 55,000 reservists were largely lost.

The Army Reserve, in 1965, had six combat divisions, all with outstanding World War II records. Some of these in 1965 had reached an advanced state of training that included company level Army training tests and live fire exercises with close-in overhead artillery and air support.

It was at this point the Secretary of Defense, with the glib comment that their people would be absorbed and trained in other needed units, proceeded to inactivate these divisions.

Many of those officers and men of the inactivated units have found no other units in which to train. For a while, a large number were carried as overstrength in units where they had no specific assignments or requirement. As of now, almost the entire 55,000 have been lost.

Some few officers and men are continuing to hold onto reinforcement training units which they formed after the inactivations, and which are meeting with no pay and almost no support from the Army. The Deputy Secretary of Defense promised these RTU's would receive support, but it is noted that there is no funding for such support in the 1968 budget.

I have often thought, especially in light of recent ominous international developments, that we may wake up one day and wish we had those six fine Army Reserve divisions. In fact, if newspaper reports are correct, we are sending men and units into battle today who are less well trained than the units and men affected by the 1965 inactivations and who also may have had less training than those units and men the Secretary of Defense is now proposing to eliminate from the Army Reserves.

This new plan becomes more inconsistent when you consider that the Defense Department is about to call up some 31,000 Army Reservists as "punishment" for not participating in the Reserve program. The public has not been told that the majority of these men cannot participate because there are no units left in their areas.

A callup of Reserves if needed for the defense of our country, is one thing. But to "punish" these men when they are caught in a situation beyond their control that was created by the Pentagon itself is a highly questionable action.

Yet, at this moment the Pentagon is proposing to inactivate more units, making it impossible for more men to meet their military obligations.

There is talk of mobilization of Reserves. This has become a matter of almost daily speculation.

There was a recent press report of a 15,000-man—division size—unit having been formed in Vietnam from bits and pieces to meet an urgent troop requirement just below the DMZ.

Press reports of a few weeks ago said the 1st Armored Division is now being stripped in order to form a new brigade to meet Vietnam troop needs.

There are continuing reports of pilot shortages.

General Westmoreland is known to want and to need more troops. When the speculation arose only a few months ago that Vietnam troop needs might rise as high as 600,000, these predictions were ridiculed by the Pentagon. Yet today we are nearing that figure and new speculation raises the estimates.

It is in the face of these facts that we are being presented with a Pentagon proposal that will reduce the Army Reserve to a new low, will inactivate important high priority units, drastically lower unit readiness, will eliminate such needed units of the Army Reserve as immediate ready brigades and aviation units staffed with skilled personnel and pilots, and which will create new and widespread turbulence and loss of morale in the Army Reserve.

This seems almost unbelievable, but it is true.

I view these developments with the greatest alarm.

There is a clear and, I believe, urgent need for the Congress to stand firmly on its previous rejections of the Reserve-Guard merger and to refuse to be hoodwinked by this new proposal. It cannot be justified as being in the national interest any more than the first merger plan which the Congress found to be poorly planned, and would damage our national security. This new proposal is, if anything, worse than the first one.

The Congress must stand firm on its present language in the appropriations bill and the Reserve bill of rights—H.R. 2.

It must be made clear once and for all that these bills mean what they say and that the maintenance of strengths and the preservation of the separate components is a matter of high interest to the Congress. The Defense Department must understand that the Congress will expect compliance with the language of the bills which state that the National Guard will maintain an average annual strength of not less than 380,000 and the Army Reserve an average strength of not less than 260,000.

There must be no compromise.

Mr. MAHON. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, as all of us know, nothing sounds as sweet to the ears of a Congressman as the sound of his own voice. It is rather late in the afternoon. It is rather late in this bill.

First, I do not want the Members to believe that I am sailing under false colors with these black glasses. I have got a "bum" right eye. I did not walk into a barroom door, as I want the Members to see. It just leaks, somehow. The appearance is perfectly proper and entirely legitimate.

Second, I understand, after some 20 years of service on this committee, what the rules are and what one should or should not say, but I am a natural

maverick and nonconformist. Otherwise, how could one expect anybody with a mustache like this to be elected to Congress from the heart of the coal fields? So one has to be sort of a nonconformist.

I want to say the same thing now that I said about this time last year, and at about this time of the day.

I hope there will be no quorum call, because this is one of my annual speeches. I desire to talk to these real hard core interested persons.

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to my friend from Missouri.

Mr. HALL. I should like to accommodate the gentleman with a quorum call. I, too, believe it is a perfidy and an injustice to the Nation to consider a $71 billion appropriation bill, worthy as its intent may be, with so few Members on the floor. Only my respect for the self-styled nonconformist gentleman of Pennsylvania, and his expertise here in this area and particularly in the defense features of the Panama Canal Zone, plus my desire not to "set him down" in the middle of a good speech, precludes my point of order.

Mr. FLOOD. I agree with that, but, as the gentleman knows, these are not trained seals. We are all prima donnas. We all have rights.

The redeeming feature of this is that it expresses great confidence, it is an extraordinary exhibition of confidence, in the chairman of the Subcommittee on Defense, from the great State of Texas, that in his sublime hands would rest the fate of the Nation and of this great bill.

Mr. DEVINE. Mr. Chairman, I agree with the gentleman. I make the point of order that a quorum is not present.

Mr. FLOOD. Mr. Chairman, will the gentleman please withdraw his point of order?

Mr. DEVINE. Does the gentleman not want the Members present to hear him?

Mr. FLOOD. I am probably the last speaker. There is only an amendment, or perhaps two, for consideration. I am satisfied with the sound of my own voice and that of the gentleman.

Would the gentleman please withdraw his point of order?

Mr. DEVINE. Mr. Chairman, I withdraw the point of order.

Mr. FLOOD. Now, my remark about being a nonconformist is this: I have been on this committee for many more years than many of you can recall. This is largely for the new men who are here. I regard the members of this subcommittee with an esteem and respect which is difficult to fathom. You sit there for 5 or 6 hours a day, for 5 and sometimes 6 days a week, for 5 months at a time and then consider supplementals, and you develop an affection and a regard for your colleagues that you reserve only for members of your family. I have said it is true on my side now down South—and I was raised in the South, although how long ago is none of your business—and this is not unparliamentary language, Mr. Chairman, but the word "damnyankee" down there is one word and not two. In some parts of the State of Pennsylvania where I come from "damndemocrat" is just one word, too. Now, these damndemocrats on this subcommittee go on like Tennyson's brook, forever and forever.

As I have told you, I have been on there 20 years, and I have been low man until this year when we had the good fortune to bring in the gentleman from West Virginia [Mr. SLACK] and my good friend from New York [Mr. ADDABBO], who have contributed much and who in the years ahead will bear a great deal of this burden. How these men can do what they do is beyond me. Every one of these Democrats up to the subcommittee chairman does a tremendous job.

The distinguished gentleman from Wisconsin [Mr. LAIRD], sits to my right as the ranking Republican on Health, Education, and Welfare, the second biggest bill, which we brought in just a short time ago. We miss GERRY FORD. It was a loss to the Republican Party, I think, and to this House and to the Nation when GERRY had to leave us after 15 years to take over the mantle of leadership. He did his homework.

Mr. RHODES of Arizona we have seen here for years. As a leader how he got there I do not know. I do not know the rules on your side. They write their own there. On our side we do not have any rules. We would not dare to have a caucus. I have been at one caucus in 20 years, and the blood was so thick on the floor that we have not had one since.

Now let me tell you this: This is what I would like the public to hear. You all know—oh, I slipped there when I said "you all"—you see what influence will do—the public should know that never have I heard in 20 years acrimony, vilification, abuse, or one word of partisan politics on either side of the aisle on this Subcommittee on Defense. Not once in 20 years. In view of the tremendous and fantastic problems involved, just try and match that. You cannot match it. It is unbelievable. That is the way we come to you today.

The trouble with this bill now is years ago I could talk here for an hour because I was mad about things that were not in it or mad about things that were in it. Every year it is getting tougher and tougher for me to talk 10 or 15 minutes, because I have fewer and fewer things to get mad about. I have some things—some things.

I went down, Mr. Chairman, to the launching of the greatest fighting ship in the world 3 weeks ago, the great fighting aircraft carrier, the *John F. Kennedy*, named after our beloved and revered President. My heart was in that, but I never felt so bad in my life as I did when she started down the ways. And, Mr. Chairman, if you have never been to the launching of a great fighting ship, when it is started afloat, and after the bottles of champagne have been broken, and she starts slowly to move down those ways, and the band plays "Anchors Aweigh," and if the lump is not in your throat, there is something the matter with you—there is something the matter with you. I have been to 50, and the last one was just like the first one.

But you know, Mr. Chairman, what the trouble was. Mr. McNamara and "Mr. McNamara's Band" at the Pentagon made one of the most shocking errors and mistakes in the history of our Military Establishment. The trouble is, Mr. Chairman, that that great carrier is not nuclear powered. That is a disgrace. She was obsolescent the minute she hit the water. That broke my heart, because I came to this floor and I beat my breast and pulled handfulls of hair out of my head and did everything but get down on my knees and pray to you that a nuclear carrier as provided for under my proposed amendment, should be constructed. I got a lot of votes, but not enough.

So, Mr. Chairman, we have gotten no place, and I am mad about that. I feel better right now, however.

But, second, this bill fully funds one nuclear frigate and the money for leadtime on a second nuclear frigate is made available.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MAHON. Mr. Chairman, I yield 5 additional minutes to the gentleman from Pennsylvania.

Mr. FLOOD. I thank the distinguished chairman of the full Committee on Appropriations.

Mr. Chairman, the money providing for leadtime procurement is made available.

Mr. Chairman, I introduced an amendment in the subcommittee to fully fund both of these two nuclear frigates, conforming with the authorization act. That is the practice of the Committee on Appropriations. But, that does not impress them. I had the vote of my distinguished friend from Alabama [Mr. ANDREWS], and I say to the gentleman now, Mr. Chairman, never as long as I am on this subcommittee will I ever again vote for a combat ship of the line which is not nuclear powered—never, never again. I hope you do not; I hope you do not.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to my distinguished friend, the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I thank my distinguished friend, the gentleman from Pennsylvania [Mr. FLOOD], for yielding. The gentleman knows how dear to my heart this subject matter is, and how dear to the heart of the Joint Committee on Atomic Energy is this subject. That committee has been fighting, along with the Committee on Armed Services and the Committee on Appropriations, for this very objective which you have achieved in today's bill.

Mr. Chairman, I wish to compliment the distinguished gentleman from Pennsylvania [Mr. FLOOD] for his stand on this matter over the years and also I wish to compliment the Committee on Appropriations for the courageous position that it has taken. They are 100 percent right.

Mr. Chairman, it is also a great pleasure for me to stand up and add my humble commendation to the words that the gentleman from Pennsylvania has just spoken and for the action which the gentleman's Committee on Appropriations has taken.

Mr. FLOOD. Mr. Chairman, I know the position of the distinguished gentleman

from California as chairman of the committee dealing with this subject, and I know the position of my distinguished friend from South Carolina, whom I call "cousin," the great chairman of the great Committee on Armed Services of the House of Representatives.

Mr. RIVERS. First cousin.

Mr. FLOOD. Yes, first cousin.

Mr. RIVERS. Mr. Chairman, I wish to thank the distinguished gentleman from Pennsylvania [Mr. FLOOD] for his defense of nuclear propulsion of surface ships.

Mr. Chairman, I told the Secretary of Defense that so long as I occupy the chairmanship of the Committee on Armed Services, there will never be another conventional-powered carrier. I have also gotten word to the DOD that there will be other frigates, nuclear powered, for the future.

Mr. Chairman, we never received any help out of the Department of Defense, but we have come up with these two nuclear-powered frigates. We had quite a fight with the other body in the conference, but it is wonderful to have the backing of the great Joint Committee on Atomic Energy and the backing of the great Committee on Appropriations, working in conjunction with the Committee on Armed Services.

Mr. Chairman, one must remember that if it were not for the Congress, we would not have a single nuclear-powered submarine today. The Congress has been the beginning of all this.

Mr. Chairman, it is just refreshing to me to see the gentleman from Pennsylvania [Mr. FLOOD] with his strength back again, making his own appealing plea and defending the things that ought to be done. May God bless the gentleman.

There will never be another like you. Thank God you are on our side.

Mr. FLOOD. I am for you also.

You know, he is a very fast studier, Mr. Chairman, because I just wrote that out for him about 3 minutes ago, and how he memorized it so fast I do not know.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. Mr. Chairman, I yield to quite a character. If you ever heard this man on the back of some admiral, chewing him out as a cross examiner, it would do your heart good because he will never allow a witness to get away from him without losing at least one ear. So I yield to my friend from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, I thank the gentleman for yielding to me.

I would like just to substantiate what he had said about partisan votes in our committee. We have never had a partisan vote in our committee since I first went on the committee in 1953; by partisan vote I mean one in which we divided on in our committee on the basis of our political associations.

Mr. FLOOD. I will say to the gentleman that is correct.

Mr. LAIRD. We put aside all partisan politics. We try to make our decisions based on what is best for the national security of the country with defense appropriations.

Mr. FLOOD. The gentleman does not mean we have never had some very stiff arguments, does he?

Mr. LAIRD. Oh, we certainly have had some very stiff arguments, that is true.

Mr. FLOOD. The gentleman does not mean that I have not had trouble with him, and that he has not had trouble with me, but we always got along.

Mr. LAIRD. But we have always gotten along. We have been able to resolve our differences. Our dispute here is with the Department of Defense. We are disappointed in their not going forward with the nuclear frigate last year. We appropriated leadtime money for this last year.

Mr. FLOOD. That is right.

Mr. LAIRD. What I am afraid of is that they may very well hold back, insisting upon conventional power again. This would be a great mistake because we just built an obsolete carrier. When we launched it, the launching was on the television all over this country, and that carrier was obsolete the day it was launched.

Mr. FLOOD. Can you imagine sitting there with me when she went down those ways? It would break your heart.

Mr. LAIRD. I was glad I was not there with you because it would have broken my heart, too.

Mr. FLOOD. I want to add just one more additional thing, even though I dislike taking up this additional time and holding things up:

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAHON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FLOOD. I will not take that much time. I will do it in English.

The CHAIRMAN. The gentleman is recognized for 5 additional minutes.

Mr. FLOOD. Mr. Chairman, there is one thing that sooner or later we must take a look at. I do not know who is going to do it, but somebody must take a look at it, and that is this business in the Department of Defense of making it mandatory that every officer must serve a tour of duty in almost every bureau or department in the hope that he will become Chief of Staff of the Army or the Air Force, or commander in chief of naval operations in the Navy; that he must have a couple of years of service in every office in the Pentagon. This is simply 19th-century thinking, it is an obsolete thing and it should be corrected. I do not know how we would do that, but as a result of that what we get is appalling incompetence in those sections. The fiscal people and the budget people are good, but when they send up line officers, we should not have line officers coming up there in the first place, and they do not like it, and I do not blame these officers, especially officers from four-striper up. They do not want to be here. They want to be with the fleet, or they want to be with the troops, and I do not blame them. That system should be changed.

I hope as soon as we can that a proper committee or a special commission be named to revise that entire procedure which is an archaic and obsolete method of filling these bureau chiefs. It is a dangerous and a bad thing.

Finally this: I know the Fourth of July is approaching, and I am going to make some speeches on the Fourth of July, and so are you.

I do not intend this as a rehearsal—I do not want to try it—but I would just like to say this. I hope for obvious reasons that there is not one vote in this House against this bill—not one.

Now I can understand why a handful of my friends may have voted against the supplemental bill for South Vietnam. That is pretty clear and understandable. But there is less than $20 billion out of the $71 billion in this bill for Vietnam. In all conscience—as strong as you feel on that subject, I would hope, as I say for obvious reasons, that this be a unanimous vote as a warning and as a sign to the world. I know this bill and I know what is in it, so far as finite man can know with a can of worms like this—and it is a can of worms. But make no mistake about this. We on this subcommittee know, and I now report to you, if you have any doubts, the United States of America is the richest, the strongest and the most powerful nation on the face of this earth—bar none. There is not a nation or a combination of nations in the world that does not know it.

We did not ask for this job. God knows we did not ask for this job. But we have it and, Mr. Chairman, that is the way it is going to be. There is only one thing for a leader to do, a leader must lead or quit, lead or get out. Two laps around the track, and go to the showers, hand in your uniform, get out or leave. Mr. Chairman, from now on this Nation intends to lead, whether anybody likes it or not.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. LIPSCOMB. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. HORTON].

Mr. HORTON. Mr. Chairman, I rise in support of H.R. 10738, a bill making appropriations for the Defense Department in the fiscal year which begins July 1.

Other than the crisis years of World War II, this measure directs the spending of more money than ever before in the history of our Nation for the common defense. I rejoice not in the establishment of such a record. Yet, I recognize its necessity both to assure our deterrent posture in a world frequently strained by the ambitions of arms and to insure the fulfillment of American commitments in Southeast Asia.

If this bill related directly to the question of how we should pursue our military course in the next year, I might be inclined to comment further; for there are questions on my mind, too, about the effectiveness of our military strategy in ending the aggression in Vietnam. But, that is not what is really before us today. Our Constitution vests the President with the responsibility to direct military engagements. His departments have come to Congress asking appropriate funds to carry out this responsibility.

Our colleagues on the Appropriations Committee have given these requests their laborious and dutiful attention, amending them where they felt it needed, reducing them where they be-

lieved it prudent, and affirming them where their wisdom counseled them to do so. The committee report and the statements we have heard today from our colleagues who took the testimony and then wrote the bill offer their own evidence of the competent and comprehensive determinations which surround the committee's recommendation.

As I stated a moment ago, the sheer size of this bill is indicative of the strategically imperiled world in which we live. That it should require of the resources of the United States $70 billion in 1 year to maintain democracy's defenses can only be viewed as regrettable. And, I feel certain I share the feeling of so many of my fellow Congressmen and citizens that a much better world would result if this Nation could devote similar financial strength to pursuits like education, housing, urban revitalization, health, and pollution control.

Still, reality makes us realize that without the freedom protected by such defense expenditures, even that which we now are applying to these peaceful undertakings simply could not be.

Mr. LIPSCOMB. Mr. Chairman, I yield 15 minutes to the gentleman from Arizona [Mr. RHODES], a member of the committee.

Mr. RHODES of Arizona. Mr. Chairman, there is really nothing lower anywhere than the junior member of a subcommittee, on the minority side. Recognizing that fact, I wish to inform my colleagues, and I am sure they will receive this knowledge gratefully, I do not intend to consume all of my time.

Mr. Chairman, I do not intend to try to prove that I am a great military strategist—because I am not a great military strategist—I have not been on this committee long enough.

But I have been on the committee long enough to form a great and lasting admiration for the other members of the committee and for the staff of the committee. It has been said that this is a hard-working committee. It is a hard-working committee.

It has been said that the members are devoted to their duties. They are devoted to their duties.

It has been a great experience for me to be able to be on the committee, to compare notes and to listen to the incisive questioning by the members of the committee of those who come from the Pentagon Building to justify their budget.

This is a $70 billion budget. It started out to be $71 billion. As befits my station on the committee, I am going to do some nitpicking. Somebody has to nitpick a little bit and I think in my position I can do a good job of it.

The item I am going to talk about is three-tenths of a millionth of this particular budgetary request. The item I am going to talk about amounts to $20,000.

If you will turn to page 75 of part V of the hearings, you will see the following colloquy under the heading of "Beautification Program":

BEAUTIFICATION PROGRAM

Mr. LIPSCOMB. What was the item you mentioned about the report on natural beauty?

Mr. HORWITZ. This is money provided to the Director of the Bureau of the Budget.

Mr. LIPSCOMB. What has this to do with the Defense Department?

Mr. HORWITZ. It is our share of this program, and of course we do have our real estate holdings where we carry out certain programs to keep them looking nice.

(Off the record.)

Mr. ANDREWS. Is that amount for beautification an assessment against the Defense Department?

Mr. AIRHART. If I remember correctly this was the President's report.

Mr. ANDREWS. The so-called beautification program?

Mr. AIRHART. That is right.

Mr. ANDREWS. I believe you stated you made the contribution because it was assessed.

Mr. AIRHART. The Budget Bureau would make a determination as to each participating agency's share of the cost.

Mr. ANDREWS. I assume then all or most of the Government agencies are assessed so much for beautification.

Mr. AIRHART. I should think this would include a great many of them, not all.

Mr. Chairman, the meaning of all of this is that someone in the President's office decided that various branches of the executive department should be assessed for some beautification program somewhere. The Bureau of the Budget decided how much each of them was to pay, assessed them accordingly, and the money was put into a beautification program for some purpose somewhere, we know not what or where. In fact, the people who testified from the Department of Defense were not very firm in their own knowledge as to where this particular sum of money went. I do not know how much total money was raised by the executive department in this way, but it seems to me obvious that this is a clear circumvention of the power of the Congress to appropriate.

Going on, Mr. Fisher was asked where this money came from. I will read the colloquy:

Mr. LIPSCOMB. And then there was a reprograming action taken?

Mr. FISHER. Internally.

Mr. LIPSCOMB. For you to obtain the $20,000 to pay your share?

Mr. FISHER. We financed it from internal resources.

Mr. LIPSCOMB. Have you told us where you obtained the money to do this, from what funds?

Mr. FISHER. No, sir; we have not.

Mr. LIPSCOMB. This is what you are going to tell us for the record?

Mr. FISHER. We will; yes, sir.

(The information following:)

The $20 thousand was derived from within the OSD funding due to the refinement of Supplies and Materials estimated requirements.

As one member of the Appropriations Committee, I would like to serve notice on the executive department that this sort of thing, which is apparently a brandnew gimmick, had better stop. We do not intend that this type of circumvention of the authority of the Congress—actually the duty of the Congress as set forth by the Constitution—will be thwarted by operations such as this carried out through the Bureau of the Budget or any other part of the executive department.

Now, some more nitpicking, but this is a little bigger nit because I imagine if what I propose were done, it would save something like three one-hundredthousandths of the $70 billion which we are appropriating. This involves the duplication of effort amongst the three services insofar as service schools are concerned.

For example, each of the services has a Judge Advocate General School. It is true that the main Judge Advocate General School is the Army school located at Charlottesville, Va. But the other two services also have JAG schools.

The same Code of Military Justice applies to personnel of the armed services. The laws which pertain to them may not be identical, but they are certainly almost identical insofar as their approach is concerned. I defy anyone to put forward a cogent argument as to why it is necessary to have three separate Judge Advocate General Schools. It seems to me they could very well be consolidated into a Department of Defense Judge Advocate General School, and I, for one, recommend that this be done.

As a former JAG officer—I might say a retired JAG officer—I happen to know that before long new arrangements will have to be made in Charlottesville or elsewhere for the Judge Advocate General School of the Army. When this is done, I hope that the school will be made into a DOD school, and the officers from all services, who are lawyers and who need to be oriented or trained in military justice, will be sent to this particular school.

Other schools in the same category concern training for hospital corpsmen.

It is my understanding that all three services train their corpsmen differently. On chaplain schools, I cannot imagine why it would be necessary to have three different chaplain schools. Certainly the finance schools of the three services could be consolidated, as could all of the management types of schools.

I do not have any idea how much money could be saved, Mr. Chairman, if the schools of the types I have mentioned were consolidated, but I daresay it would be a rather substantial sum. I venture to say it would be at least equal to three one-hundred-thousandths of this very large budget.

One of the topics often mentioned by members of the subcommittee during the course of the hearings was a concern that this Nation was becoming myopic concerning our responsibilities in Vietnam—that our concentration on Vietnam was so deep, so intense, that we were neglecting our duties and responsibilities throughout the world.

I noticed in the newspapers not too long ago a mention of the fact that we probably have 40-some treaties with other nations involving some obligation or another on the part of the United States of America. None of us wants the United States not to be in a position to fulfill treaty commitments. But I do not know what these commitments are.

One thing I definitely suggest is that there be some sort of high-level meeting between the Secretary of State and the Secretary of Defense, so that at least the latter may be informed—if he is not already—as to what the possible mili-

tary commitments of this Nation might be, as a result of these treaties.

When we think of the magnitude of the commitment in Vietnam, when we think of what could have happened in the Middle East not too long ago, when we think of what could happen in South America and other areas of the world in which we are interested and in which we have treaty obligations, we realize that we in Congress are facing a task, in carrying out the responsibilities of this Nation, of a magnitude which we probably cannot even visualize.

We realize that the executive branch also is facing the responsibility of planning for future actions which they probably cannot visualize.

I hope that someday there will be an inventory made of these responsibilities, that we may face up to them realistically in the cold hard light of the late 20th century, to determine whether or not we as a nation really can survive the type of burden which we apparently have assumed throughout the years, and to make if necessary some agonizing reappraisals as to our national responsibilities, squared with our national ability to discharge those responsibilities.

In doing this, of course, it is going to be necessary for us to make certain very basic assumptions. Many of our responsibilities were assumed when the use of nuclear weapons was contemplated, if necessary, to fulfill them. If we are going to carry out those same responsibilities with conventional weapons, then we have a brandnew game as far as training, procurement, and logistics of our Armed Forces are concerned. We have new decisions to make as to our national economic ability to fulfill these responsibilities under the rules of the game as they now exist. It is important that we make these basic decisions and square them with the action which the rest of the world might reasonably expect us to take in the event of aggression elsewhere in the confines of our globe.

I believe it is also necessary that we look at one very important part of our defense arsenal as it exists today. Throughout the hearings, whenever the Air Force and the Army or the Navy were in the room testifying, they were queried concerning their pilot training programs. The Air Force had 2,956 pilots programed for training in fiscal year 1967. In 1968 this goes up to 3,492. I, for one, hope that this is enough, but I am not satisfied that this is enough—for this reason: We have been fulfilling our pilot requirements in Vietnam and elsewhere by taking some actions which a lot of us never thought would be necessary to take.

One of the actions is to take people from jobs which are not flying jobs and put them back in the cockpit after years of limited flying and at ages which are far advanced from those which one ordinarily ascribes to a combat pilot, and then send them out to combat.

I should say, in the next breath, these older pilots have certainly acquitted themselves beautifully. They are fine pilots. They are good men.

At the same time, one wonders for how long we should rely on this type of pilot reserve. In other words, should we not be training more people so that it is not necessary to take pilots out of nonflying jobs and put them back in the cockpit? Many of them are literally "flying grandfathers," capable though they may be.

Also, is it really a good thing to take pilots out of nonflying jobs and send them back to pilot duties?

In many instances it is true, I am sure, that there are jobs which can be handled by nonpilots just as well as any pilot can handle them. However, in the Air Force, by the nature of its mission, there are jobs which should be filled and must be filled by pilots.

I hope that in our zeal to hold down pilot training and our necessity to man aircraft we have not set up ground rules for filling jobs which take pilots out of jobs they should fill. I suspect we have done this.

I hope the Department of Defense will engage in a reappraisal of this whole situation to make certain that the pilot training program is adequate to fulfill all the needs of the Air Force, but also that, pilots will continue to have the opportunity to move into command and staff positions not directly related to flying.

We are told that already there are pilots who are doing a second tour of duty in the Vietnam theater. Rotation of military personnel certainly is to be desired. I believe all of us agree this is a fine morale factor. When one rotates a man from his tour of duty and then a year later sends him back, I wonder how good a morale factor that is?

I recognize the need for pilots, but at the same time we should grind into the need for pilot training some question of whether this is the type of thing we want to do, or whether we should train more pilots than we are now.

Mr. Chairman, in closing I also want to express my agreement with the committee in insisting that we maintain certain airlift capabilities of the reserve arms of the Air Force. The C–5 is to be a great airplane. I hope that we will proceed posthaste to build it and to deploy it. Certainly it is not now built and it is not now deployed.

Therefore, at this time, in order to fulfill the commitments which we have not only in Vietnam but also in other parts of the world, it seems to me to be great wisdom on the part of the Congress to insist that the National Guard airwings which were scheduled for deactivation be retained as active units of the Air National Guard.

Mr. MAHON. Mr. Chairman, I yield such time as he may consume to the gentleman from West Virginia [Mr. SLACK], a member of the subcommittee.

Mr. SLACK. Mr. Chairman, I rise in support of this legislation.

Mr. Chairman, one of the less imposing dollar items in this multibillion-dollar bill, amounting to a total of only $134.8 million, provides funds for the construction of a nuclear-powered guided missile destroyer leader, and for advance procurement activity on another ship of the same class. This item is not large as today's military expenditures go, but it appears to be a forerunner of events to come.

During recent years there has been growing a conviction in the minds of many that all major naval vessels will one day be nuclear powered. But during those same years there has been a reluctance on the part of defense planners to move firmly away from conventionally powered vessels.

It is quite true that nuclear-powered vessels cost more in the construction and preparation stages. For the same amount of money we can obtain more vessels of comparable size if they are conventionally powered than if nuclear powered. But measured over a span of years, it now appears that no defense funds are actually saved through the construction of conventionally powered vessels.

It was pointed out during the hearings that new naval vessels being built today may reasonably be expected to provide for our defense during the next 35 years, or into the 21st century. Viewed from this standpoint we would do well to ask ourselves whether or not the Congress should not take a stronger position with regard to planning and procurement of nuclear-powered vessels now.

The quick crisis which developed in the Middle East focused our attention on the possibility that we may be required to establish a military presence in several parts of the world at once during some series of international events. Speed of deployment and flexibility of logistics is critical in a situation of this kind. The vessels which can get there fastest and stay on station longest will have the greatest value to us. The world outlook today does not offer us any assurance that a future year will not find us faced with two or three critical situations separated by thousands of miles of ocean. Prudence would suggest that we be prepared to the best of our ability for such a set of circumstances.

During the hearings it was also testified that to bring our Navy up to full cognizance of all modern developments would cost some $15 to $20 billion. As a worldwide power we must have a Navy with worldwide capabilities, so it follows that modernization of the Navy is not actually a subject which offers many alternatives for debate.

During the coming years we will find that the money must be spent and the modernization must be effected. The debate will center upon the question: how best can the goal be accomplished, and will feature the nuclear versus conventionally powered vessel. But today we are much less in the dark about the true costs of operating the two types effectively. We have hard experience by trained naval officers to study, and that experience is being gained every day in the waters of Southeast Asia.

The comparison between operation of nuclear and conventionally powered vessels in support of our South Vietnam commitment appears to be leading to the unavoidable conclusion that our first-line fighting forces must all be nuclear powered if we are to rely on maximum efficiency on the high seas in our national defense.

Mr. MAHON. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from New York

[Mr. ADDABBO], a member of the subcommittee.

Mr. ADDABBO. Mr. Chairman, the House today has the task of passing on the largest single defense appropriations bill in the history of this country. After months of study and review, the Appropriations Committee—of which I am a member—now asks this body to approve more than $70 billion for our national defense during fiscal year 1968. I want to assure my colleagues that the committee, under the leadership of its distinguished chairman [Mr. MAHON] and ranking minority member [Mr. LIPSCOMB] has approved only those expenditures which proved under rigorous investigation to be absolutely necessary to our national defense.

About three-tenths of the proposed appropriation, or more than $21 billion, represents the rising cost of the war in Vietnam. Because the action of the opponent, as it may either increase or decrease, is unpredictable, costs in Vietnam cannot be precisely projected. Nor did the committee attempt to anticipate the effect of future world crises, such as the Middle East war, on our national defense requirements. I concur with the other committee members in the belief that we must continue to improve our ability to deal with international crises as they may occur.

I lament as I know many others do the fact that the greatest part of our budget, year in and year out, must be devoted to securing our homefront and those of our allies from the threat of useless and despicable aggression. I am dismayed to think that we are spending more each year fighting a protracted war in Vietnam than we are on all the new domestic programs combined. Just think what a fraction of this proposed defense expenditure could do at home to aid the poor, improve health care and facilities, upgrade education, discourage crime—in short, treat the maladies which permeate America, and especially her cities.

Defense spending is not permissive but mandatory. It is like medicine which is necessary for staying alive. As we strengthen our defense we also seek ways and means to a lasting peace and until a better remedy is found a strong defense is still one of the best deterrents to possible all-out aggression by those who would try to destroy free and independent nations.

Mr. LIPSCOMB. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Chairman, I was much impressed with the presentation just a few minutes ago of the gentleman from Ohio [Mr. BOW], in which he set forth quite clearly and properly the constitutional responsibilities of the Congress in respect to military forces; that is, not only the responsibility to raise armies and navies but the responsibility to regulate them.

This is truly a bill to raise an army, to provide for the paying of the men and their equipment. It does raise some additional constitutional questions which I attempted to raise at a rather late hour in connection with the draft bill several weeks ago.

When engineers build a larger engine, they generally put a bigger brake on it. Through the years the Presidency has certainly become a more powerful institution with each succeeding year. Yet, except for the limitation to two terms, I cannot think of any respect in which the Congress has seen fit to put additional braking power upon the Office of the Presidency. For example, I raise the question: What limitations are placed on the President of the United States in respect to the military forces to be created by this bill? Can he send these forces on his own personal decision any place in the world for almost any type of mission? In the absence of a declaration of war, does the President really have this authority? We face the possibility if not the prospect of the President sending another 200,000 or 300,000 combat forces to South Vietnam. Upon what legal authority will the President undertake such an action? Would it be the Gulf of Tonkin resolution? Was this really an explicit act on the part of the Congress authorizing the President to go that far in that region of the world so as to put a half a million people into combat? I question really whether the Congress has measured up to its constitutional responsibilities in recent years. The responsibility, the duty—not just the right, but the duty—to declare war. It seems to me that we have really shirked our duty, and I direct this criticism at myself as well as others.

We seem to have been willing to let the President, on his own, make a fateful decision to send military forces into battle on the Asian mainland. Does the President have adequate authority to send half a million soldiers to other places in the world if, in his opinion, the national interest so directs? Could he send them into the Middle East, for example, if war should break out and he should decide that this is really what ought to be done?

In other words, has the Congress yielded completely in these modern-day circumstances to the Executive the Congress right to declare war?

To me, Mr. Chairman, these are sober questions that deserve our attention.

Mr. LIPSCOMB. Mr. Chairman, I have no further requests for time.

Mr. MAHON. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Chairman, I would like to limit my remarks to page 7 of the report made by the Committee on Appropriations pertaining to the realinement of the Army Reserve components. My friend, the Congressman from Pennsylvania [Mr. FLOOD], said that he was the last speaker of the day on the Democratic side. I certainly agree with him, because I cannot compare with him. Also he said that "damnyankee" was one word, and I certainly want to agree with him on that, too.

I would like to commend the chairman of the Committee on Appropriations, the Congressman from Florida [Mr. SIKES], and also the gentleman from Ohio [Mr. BOW], in seeing that these statements were inserted asking the Department of Defense to come to the Congress before they realined the National Guard and the Reserve forces of this country.

Mr. Chairman, it just does not make sense to me at this time to eliminate these National Guard units and these Reserve units, when our country, as this report says, is in a time of crisis.

Now, Mr. Chairman, most of the National Guard divisions that will be eliminated by the Secretary of Defense are in camp right now training. These 15 divisions are in camp right now.

You know, Mr. Chairman, Secretaries of the Department of Defense in the past have tried to update and not eliminate these National Guard units.

Mr. Chairman, I recall that the 36th Division in World War I—at least I was told today—had a cavalry regiment that fought in World War I. They did not do away with the 36th Division when they brought in tanks and mechanized the division. They eliminated the cavalry regiment and put in an armored regiment in place of the cavalry regiment.

Mr. Chairman, when they had the horse-drawn artillery, they did not eliminate these divisions, but the Secretary came in and ordered that there be brought into the division the self-propelled artillery weapons.

Mr. Chairman, my point is that you do not have to eliminate a division or a Reserve unit in order to bring it up to date or to build it up to the present war level. You can still keep the individuality of the various units involved.

Mr. Chairman, it is said that these are good National Guard divisions, and they are.

Mr. Chairman, I quote the 31st Division which is composed of men from Mississippi and Alabama. These divisions, when in camp, are graded by Regular Army officers and enlisted personnel sent to these divisions by the Secretary of Defense.

Mr. Chairman, the 31st Division in 1965 had 88 individual-type units or batteries—company-sized units. These 88 units which were graded by Regular Army personnel who grade them as being superior, excellent, satisfactory, or not satisfactory—in 1965 all 88 of these units received a superior rating which indicates that they were proficiently trained and ready to fight.

These are the units which the Secretary of Defense is trying to eliminate.

In 1966 this same division—and these same figures will hold true for other divisions of the National Guard—of the 88 units that went to camp, 81 received a superior rating by regular Army personnel and seven received a satisfactory rating.

Mr. Chairman, it is the opinion of others—it is not my opinion alone—that if you eliminate these National Guard divisions and these Reserve units, and if you realine them, it is going to take at least 3 years during which to bring these new concept brigades and these new Reserve units up to the trained level that these National Guard divisions and these Reserve units have at this time.

Mr. Chairman, insofar as I am concerned this is a very important point.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the distinguished gentleman from Florida.

Mr. SIKES. Mr. Chairman, I wish to compliment the gentleman from Mississippi [Mr. MONTGOMERY] for a very sound statement and for his strong interest in this matter.

Further, Mr. Chairman, I wish to agree with the gentleman that it is a lot simpler, less costly, and more effective to keep a combat-trained man in a combat unit than it is to convert him to a carrier of water, a hewer of wood, or a baker of bread.

Mr. Chairman, we must have proper logistical support units. We cannot win wars without them. However, it just does not make sense to convert combat-trained units to logistics support units.

Mr. MONTGOMERY. Mr. Chairman, I certainly agree with the statement of the distinguished gentleman from Florida and I thank the gentleman for his remarks.

Mr. Chairman, another real danger that I see——

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. MAHON. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. MONTGOMERY. Mr. Chairman, another real danger that I see—and I would like the Members of Congress to hear me out on this—is that in most States you are going to lose individual units. For instance, I can use my State as an example where we now have 120 company- and battery-sized units located throughout the small towns of my State which are participating National Guard units. However, under the new proposal, we will have to cut back to 79 units. That represents a reduction of 41 units. However, the problem under the new proposal is where you have a company- or battery-sized unit, you could end up under this new proposal with a platoon or even a squad.

I certainly think at this time it is unreasonable and unbelievable and certainly not in the best interest of the country to realine these National Guard divisions and also the Reserve units, and I hope the Secretary of Defense will heed the request of Congress.

I recall to the Members of Congress that the concept of citizen-soldiers is older than this Nation itself. Certainly Congress should be consulted when such sweeping action is taken by the Secretary of Defense.

Mr. MAHON. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, because of the well-intentioned comments of my friend, the gentleman from Ohio [Mr. MINSHALL], and because of certain other things that have been said and written with regard to the F–111 program, I should like to take this time simply to accentuate the positive. I want to bring to the attention of the Members of this House some of the really fine advances that this program does symbolize and embody. The F–111 is a magnificent aircraft and all of America has ample cause to be extremely proud of it.

Those pilots who took the F–111 plane to the Paris air show, Col. Ray O. Roberts and Maj. Robert K. Parsons, returned reporting that it had been the sensation of the entire show. They reported that the Russians had been so impressed that they had spent hours walking around it, looking at it, photographing it and even asking if they might scrape a bit of metal from its wings to take back with them. This clearly indicates——

Mr. MINSHALL. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Of course I will yield to the gentleman, but I have only started.

Mr. MINSHALL. Mr. Chairman, I would like to just make the record clear and state that the F–111 that was at the Paris air show was the Air Force version of the F–111, it is the other version of the F–111, the so-called F–111B with which I was critical.

Mr. WRIGHT. Mr. Chairman, I appreciate the gentleman's elucidation. It is true that the planes demonstrated in Paris were F–111A's. But I believe the worldwide reaction to the stunning new developments in this program applies with equal force to both versions.

Mr. MINSHALL. They are two different airplanes, weightwise, flight characteristics, and in many other respects.

Mr. WRIGHT. Of course, they are two slightly differing versions of the same basic design, in spite of the best efforts of the Defense Department to achieve the maximum degree of commonality.

Mr. MINSHALL. That commonality concept has gone out of the window. The Air Force version of the F–111 is as different as night is to day with respect to the Navy version.

Mr. WRIGHT. Mr. Chairman, I appreciate the gentleman's deep interest. I did not ask him to yield earlier until he had spoken for about 10 minutes, and I have only 3 or 4 minutes remaining in which to emphasize some of the really positive advances achieved in this revolutionary new development in airpower. Permit me, therefore, to emphasize those things which apply to both the Navy and Air Force versions of the F–111.

We have all heard a lot about commonality. I believe it is a valid goal to achieve. Adm. T. F. Connally, Deputy Chief of Naval Air Operations, after flying the plane, said he believed that Defense Secretary McNamara was right. Admiral Connally expressed his own opinion that the commonality factor would save many hundreds of millions of dollars in the follow-on programs and in parts and maintenance. He spoke enthusiastically of the performance characteristics of the F–111B. He said, "I think this F–111B is going to land on that carrier like a lady." I have talked personally with Secretary Nitze and the Navy project officers, and I have no doubt of their enthusiasm for this program.

But let me mention just two or three things that have not yet been brought out in this debate. I believe you will see why the Navy spokesmen are enthusiastic for the F–111B. It brings together in one package the greatest number of totally revolutionary new advances in the state of the art of air-to-air warfare that we have ever seen in the United States.

First, of course, is the swept-wing design, the first of its kind. It is truly revolutionary and extremely significant. By extending the wings at a 90-degree angle from the fuselage the plane is capable of very low speed takeoffs and landings. This, of course, is extremely important on aircraft carriers and on short, hastily built jungle landing strips. But with the wings swept back alongside the fuselage, it can fly 2½ times the speed of sound. One plane contains both extreme capabilities. This makes it the most versatile combat aircraft ever developed by American industry.

Another extremely significant innovation is the modulated turbo-jet engine which, for the first time in jet aircraft, will permit a wide range and a rapid change in speed. Heretofore military jet aircraft have had, let us say, to coin some terminology, just two gears, low gear and floorboard. There were only two choices—either subsonic speed or full jet power. But with the modulated turbo-jet engine in the F–111, we do not have to just kick on the afterburners and go from a very slack speed into top speed. Our pilots will have a wide range of speeds where they can modulate and make much more flexible the speed and maneuverability of the aircraft.

Nothing has been mentioned in this discussion about the truly revolutionary new radar fire control system. This is an almost unbelievably spectacular advance in target tracking and controlled firepower. Better by far than anything that any nation has conceived in the past, the F–111's fire control system is capable of firing simultaneously at six targets, and while destroying those six targets, it can maintain a constant computerized tracking of 16 more simultaneously. This fantastic new development has been tested and proven in more than 8,000 hours of ground and airborne operation. It works. There has never before been anything like it in the history of warfare.

An equally dramatic thrust forward is involved in the Phoenix air-to-air missile in the F–111. It will extend the effective range of air-to-air missilery by as much as five times the present distance. Think of it. With this new system it will be possible to destroy targets in the air from five times the distance. Consider the advantage.

In other words, if we can knock out a target that is 10 miles away today, this new forward-looking missile system will be able to knock that target out from 50 miles away.

The airplane also embodies a new ejection capsule system, which for the first time, will work at extremely low levels on the ground and on the water, and insure the survivability of the pilots.

Each one of these new systems is a daring and truly spectacular advance in the art of aerial warfare and, wedded together as they are in this revolutionary new airplane, they constitute the greatest potential advance in aerial combat capability that the Nation has ever put together in a single production program.

So I am sure you can see why I say that it is high time to accentuate the

positive about the F–111. There is no need to be the least bit defensive about it.

It is inconceivable to me that the Congress would want to delay by 2 weeks or 2 days—let alone 2 years—the entry of this badly needed weapons system into our inventory.

Mr. MAHON. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I have come to the floor of this House many times before to discuss the issue of nuclear propulsion for the surface warships of our Navy. On May 29, 1967, I told you about the commissioning of the nuclear frigate *Truxtun* and the sad state of affairs represented by the recent christening of the nonnuclear aircraft carrier *John F. Kennedy*. The *Kennedy* could have and should have been nuclear powered.

On May 8, 1967, I spoke in support of the fiscal year 1968 defense authorization bill presented on the floor of this House by the distinguished chairman of the House Armed Services Committee, the Honorable L. MENDEL RIVERS. That bill, as originated in the House and as subsequently agreed to in a Senate-House conference and signed into law by the President on June 5, 1967, authorized three new nuclear submarines, long lead-time procurement funds for a third nuclear aircraft carrier, and two new nuclear powered guided missile frigates which Congress substituted in place of two nonnuclear destroyers requested by the Department of Defense. This law, Public Law 90–22, represents a forward step toward equipping our Navy with the finest in nuclear powered surface warships—a step which is badly needed and long overdue.

The bill before the House today appropriates funds for these nuclear-powered warships. In my capacity as a member of the Joint Committee on Atomic Energy I have delved deeply into the factors involved in the value of nuclear propulsion for warships. As you all know, the Joint Committee has studied and analyzed the question of nuclear propulsion for submarines and surface warships for many years. This intensive review was required before the committee could recommend to Congress the research and development effort necessary to build a nuclear Navy "second to none."

As I stated before, the defense appropriation bill for fiscal year 1968 includes funds for two nuclear-powered frigates substituted by Congress in place of two nonnuclear-powered destroyers requested by the Department of Defense. Further, the appropriation bill includes funds for performing the contract definition of a new class major fleet escort called the DXG; the Armed Services Committee Report No. 221 dated May 2, 1967, on the fiscal year 1968 defense authorization act and House Report No. 270 dated May 22, 1967, on the Senate-House Armed Services Committee conference contain language which prohibits using any of these funds for the design of any major fleet escorts not powered with a naval nuclear propulsion plant—a step which I also endorse. Of course, the intent of this provision is not to confuse you with the nomenclature used for various types of ships; the intent clearly is to provide all nuclear escorts for our nuclear aircraft carriers—no matter whether they are called DLGN, DDGN, DXGN, or DXN's, or anything else.

The aircraft carrier continues to be one of our prime naval attack weapons. It provides a movable platform from which to launch airplanes wherever they may be needed. It is a floating airbase complete with maintenance and repair facilities. It has proved to be a vital asset in support of our military activities in Vietnam. The tremendous problems and expense of building up land airbases in Vietnam continue to demonstrate the great advantages of the aircraft carrier concept.

However, to fully exploit the full potential of the carrier task group, everything possible must be done to minimize the logistic support required to sustain the ships in a combat environment. Elimination of the requirement for a continuous supply of propulsion fuel makes nuclear-powered ships valuable. This became abundantly clear to the members of the Joint Committee when we studied this problem in 1963 and prepared our report on nuclear propulsion for naval surface vessels. See the December 1963 Joint Committee report entitled "Nuclear Propulsion for Naval Surface Vessels."

The Department of Defense has finally come to realize this, in the case of aircraft carriers—after Congress repeatedly pointed it out. They still have not recognized this important truth in the case of ships built to escort nuclear carriers.

In fact, I saw an interesting item in Sunday's Washington Post about Navy Secretary Nitze being designated to replace Cyrus Vance as Deputy Secretary of Defense. The article said:

> Perhaps one of Nitze's greatest accomplishments there (as Secretary of the Navy) was to use McNamara's own yardsticks—cost-effectiveness—to convince a doubtful Secretary that all carriers in the future should be nuclear powered.

I do not mind letting Secretary Nitze have some credit.

As I was saying, we must be able to operate attack carrier task forces anywhere on short notice. Nuclear propulsion in our naval striking forces will greatly enhance our capability to operate our carrier task forces throughout the oceans of the world—without the entangling logistic support problems created by conventional fuel requirements and free from the constant changes in the worldwide political climate.

Our one nuclear-powered aircraft carrier, U.S.S. *Enterprise*, which is now deployed for the second time in Vietnam, has set record after record since she joined the fleet 5 years ago. She has proven so effective in battle in Vietnam that the Secretary of Defense requested a new nuclear-powered attack carrier in last year's bill, asked for advanced procurement funds for the third nuclear carrier this year and has told Congress that he intends to ask for the remainder of the funds for the third carrier next year and another in a future year.

At least four major fleet escort ships—destroyers or frigates—are assigned to each aircraft carrier. These escorts are designed to operate either on independent missions against enemy targets or as part of a coordinated protective screen to destroy enemy aircraft, missiles, submarines, and surface ships that attack the force.

The facts behind the action recommended by the House Armed Services Committee and the Joint Committee on Atomic Energy to proceed now on a nuclear-powered surface escort warship building program can be assessed by review of the reports I identified in my floor statement of May 8, 1967. To this list I should add House Report No. 270 dated May 22, 1967, on the conference of the Senate and House Armed Services Committees concerning the fiscal year 1968 defense authorization bill.

In addition, the Joint Committee on Atomic Energy is currently preparing for public release a report prepared by the committee staff on the issue "Nuclear Propulsion for Major Fleet Escorts" and a record of executive hearings held this year on the naval nuclear propulsion program.

The committee staff report, of about 450 pages, will give the complete history of nuclear propulsion for naval surface warships. It will be a document that will be useful to every person who is interested in the national defense of our country. It is well documented. It will furnish the complete story on this problem of whether we should go back to the days of the sailing vessels, you might say, by using oil, because oil today in the propulsion of our naval vessels is just as obsolete as sails were when oil took over.

This report and the record of hearings provide a complete chronology of the positions of key people in Congress, the Navy, and the Department of Defense from 1961 when the *Enterprise* first went to sea up to as recent as May 29, 1967. It also specifically considers all the studies and correspondence provided to Congress by the Navy and the Department of Defense since 1961 on the isssue of whether or not the Navy should have nuclear-powered surface warships. These studies and correspondence are published in the report to the maximum extent permitted by consideration of our national security.

I am sure you will agree that the case is clear and well supported that we, the Congress, will have to take extraordinary steps if the Navy is to get the number of nuclear-powered major surface vessels they need. It is certainly clear that the Navy does not need more "studies" on this issue. No one has ever won a war with paper studies.

The present Middle East crisis clearly supports the conclusion reached by the Joint Committee on Atomic Energy, the Senate and House Armed Services Committees, and the Senate and House Appropriations Committees that the Navy proceed now building nuclear-powered major warships. This crisis supports the position of Congress that it is not in the best interest of this country, either short term or long term, to continue building nonnuclear major surface war-

ships, as has been repeatedly proposed by the Department of Defense.

While only a small fraction of our domestic consumption of petroleum comes from the Middle East, more than half the petroleum products used in Vietnam have been coming from Persian Gulf sources. On June 7, the Secretary of Defense announced that he was invoking an emergency plan to provide petroleum products for our forces in Southeast Asia without being dependent upon the Middle East. This plan involves more than doubling the number of tankers which have been supplying our Southeast Asian forces.

In addition to the possibility of losing these Mideast petroleum products at their sources for political reasons, the closing of the Suez Canal will further increase the difficulty of transporting petroleum products since tankers will now be forced to take the longer route around the Cape of Good Hope. I commented publicly on the importance of nuclear power in warships to decrease our military dependence on petroleum supplies last Saturday.

Over and above the obvious difficulty and increased cost involved in this move, I hope you all remember that no one is attacking these logistic supply forces, no bombs dropped, no shells fired, or no torpedoes fired at these tankers. Our surface Navy, fortunately, has been fighting a "War College" exercise where nobody is firing at them. They have every possible advantage.

The Joint Committee hearing record and report documents some history which is pertinent to this situation and I would like to summarize some of this for you.

For example, how many remember that it was largely due to our submarine and air attacks on the Japanese fuel supply lines from Southeast Asia to Japan during World War II that the Japanese war machine was beaten to its knees, very much shortening that war in the Pacific?

Do you remember when the Atlantic Coast beaches of the United States were coated with oil from sunken tankers—our tankers sunk by German U-boats right off our own coast? We lost some 130 tankers to German U-boats in World War II.

Our logistic support forces are potentially more vulnerable today—with the advent of foreign nuclear submarines and longer range aircraft and missiles.

To assess the importance of reducing the liquid fuel required by naval striking forces through the utilization of nuclear propulsion, it should be borne in mind that the monthly usage rate of petroleum products for the Navy's ships and aircraft in Southeast Asia today is as great as the maximum monthly rate the Japanese were able to import petroleum products into the home islands during World War II. The quantity of ship and aircraft fuel currently required per month for the carrier strike groups alone in Southeast Asia is two-thirds as much as the average monthly requirement for the U.S. carrier strike forces in the 5 months of the Palau campaign—one of the peak naval operations of World War II in the Pacific. About one-third of this total is for carrier propulsion fuel, about one-third for escort fuel, and the remaining one-third for aircraft fuel. Thus, nuclear power in the carrier would reduce the fuel requirements in the logistic pipeline by one-third and nuclear power in the escorts would reduce the fuel pipeline to the striking forces by another one-third.

The Chief of Naval Operations pointed out over a year ago that—

> The compelling reason for the Navy's strong recommendation for nuclear power in surface warships is based on the increased survivability and tactical flexibility which derive from freedom of dependence on propulsion fuel oil logistic support.
>
> The dependence of U.S. air power on the fuel distribution system in the western Pacific is well known. The vulnerability of the system to attack, particularly the overland and terminal fuel distribution required for land-based air operations, is a matter of concern. While the Navy's underway replenishment groups are considered to be less vulnerable, they can also be brought under attack. Current utilization of *Enterprise* and *Bainbridge* is reducing our dependence on fuel oil and thus strengthening our total air posture in Southeast Asia. The introduction of CVAN68 and other nuclear-powered warships could be of critical importance to the efficient projection of air power during the early 1970's."

From the above you can see that the Chief of Naval Operations appreciates the importance of nuclear propulsion in minimizing logistic support requirements. However, it appears that other officials in the Department of Defense have either forgotten these lessons or feel that for some reason they can be ignored.

How often must history repeat itself before these lessons are learned by the people in a position of responsibility in the Department of Defense; before they pick up the step of the drummer leading the way toward a modern Navy for this country?

The bill before you is an important step as it provides funds for two more nuclear-powered guided missile frigates to escort our nuclear aircraft carriers. An overwhelming vote of support should make it clear to the Department of Defense that the American people, through their elected representatives in Congress, believe this is the direction this country should go.

Mr. NEDZI. Mr. Chairman, it is understandable that there are several Members who are trying to stop the Defense Department from reorganizing the Reserve components; however, the fact is that the structure of our Army Reserve components desperately needs reorganizing. It lacks 989 units which are needed. It has 1,076 units which are not needed. Only by correcting this situation can the structure be made to conform to that which the Joint Chiefs of Staff unanimously say is required. And only if the Joint Chiefs recommendation is met, can we get the readiness we need.

None of us are wise enough to know exactly how many artillery battalions, ordnance companies, combat brigades, divisions, special forces, and other units the Reserve components ought to have. That is the job for professionals. To try to substitute our judgment under the circumstances seems to me outrageous.

The Reserve Subcommittee of the Armed Services Committee on which I sit has been fully briefed on the proposed reorganization. It provides the Governors with the forces which they need for local disturbances while at the same time continuing the U.S. Army Reserve at virtually its current strength. Furthermore, the plan is not intended for implementation for another 2 months—a schedule purposely designed to enable the Congress to be fully informed with respect to the plan and to permit further consideration of H.R. 2, a bill which this House passed overwhelmingly only 4 months ago and which explicitly endorses the authority of the military to establish, reorganize, or deactivate units as required by contingency and war plans.

We have no business, particularly at a time when we have nearly 500,000 men in Southeast Asia and over 200,000 men in Europe in telling the military professionals that they cannot put our Reserve forces into the condition necessary to adequately serve the national interest. To the contrary we ought to be telling the Army to get on with the job.

Mr. Chairman, to set the record straight on the proposed realinement of our Reserve components, I submit, in addition, the following statements from the Department of Defense:

REALINEMENT OF ARMY RESERVE AND NATIONAL GUARD APPROVED BY SECRETARIES MCNAMARA AND VANCE

Secretary of Defense Robert S. McNamara and Deputy Secretary Cyrus R. Vance announced today that the Army has proposed, and they have approved, a plan for realigning the Army's Reserve and National Guard forces to improve significantly the early deployment capability and combat readiness of the United States Army's Reserve Forces.

The realignment, to be started this year and to be completed by next summer, is designed to provide Army Reserve Forces as recommended by the Joint Chiefs of Staff to the Secretary of Defense in April 1967, and to bring the Army's Reserve Component structure into balance with contingency plans and the supporting equipment program.

Because of its serious imbalance, the present Reserve Component structure has serious readiness deficiencies. More than a thousand units in the current structure are not needed. Most of these surplus units are manned at only 50 percent of full wartime strength and no equipment is being procured for them. At the same time, the Army Reserve Forces need almost a thousand units it does not have.

The Reserve Forces will be realigned to:

a. Bring the force structure into conformity with that needed to satisfy military requirements and for which equipment procurement has been authorized.

b. Update the Reserve Force structure.

c. Provide adequate forces for the needs of each state.

d. Locate the units in the proposed structure geographically and in relation to population so that in the event of mobilization the burden is shared equitably among states and populations.

e. Diminish the need to assign involuntarily to reserve units individuals who have completed two or more years on active duty.

Under the proposed reorganization, the Army's Reserve Components will consist of units with a total paid drill strength of 640,000. Units in the new structure will be manned at an average of more than 90 percent of full wartime strength. The new structure will be supported with equipment, technicians, spare parts, and all the other essentials necessary to achieve required readiness.

The structure of the Army's Reserve Components under this new plan will consist of eight combat divisions, 18 brigades, 13 Training Divisions and the necessary supporting

units to reinforce the Active Army and to provide the support required for the Reserve units.

At present there are 23 divisions, 11 brigades and 13 training divisions in the Army's Reserve Components. Of the 23 divisions, only 8 are manned at 80% of full wartime strength. The remaining 15 low-priority divisions are manned at 50% of full wartime strength. Equipment is not being procured for the 15 low-priority divisions.

The realignment plan continues paid drill units in both the Army National Guard and the Army Reserve. The paid drill strength in the Army National Guard would be 400,000 and 240,000 in the Army Reserve.

The Army National Guard will consist of 8 divisions, 18 brigades, other combat and combat support units, and service support units necessary to maintain equipment and to satisfy state needs. Sufficient forces will be allocated to the states to meet requirements for units needed in the event of civil disturbances and natural disasters.

The Army Reserve will consist of mobilization base units, including 13 training divisions, two maneuver area commands, the Army Reserve schools, and the service support units except those necessary to provide for the Army National Guard and state needs.

The allocation of all combat and combat support units to the National Guard will give the Guard the units most relevant to state missions and will provide a basis which has not existed heretofore for allocating a given type unit to the Guard or to the Reserve. There is precedence for this action in the Reserve Components of the Air Force. In the Army, the Army National Guard is presently composed of approximately 84% of combat and combat support units. The United States Army Reserve, on the other hand, consists primarily of Mobilization Base and Service Support units with about 79% of its strength in units of that type.

The transition from the current structure to the proposed structure will be accomplished by:

a. Consolidating each of the existing 15 low-priority Army National Guard divisions into a high priority divisional or separate brigade.

b. Forming a division base and high priority divisional bridage from each of the eight existing high priority National Guard divisions.

c. Forming the additional 19 divisional or separate bridages needed from the 11 high priority brigades now in the structure and from low-priority units being discontinued.

d. Organizing the resulting 8 division bases and 42 brigades into force of 8 high priority divisions and 18 brigades.

e. Utilizing the Immediate Reserve and the residual assets of the Reinforcing Reserve to form the remaining units required in the proposed structure.

The Selected Reserve Force will be substantially unchanged.

The Army estimates that approximately 92% of the units in the proposed structure will consist of units in the current structure which will continue in being with no change, or will be continued after making a moderate conversion such as the conversion of a 105-mm battalion to a 175mm battalion. Eight percent of the units in the proposed structure will be newly activated. A significant proportion of these activations would be required in any event, because units that do not now exist, or do not exist in the number required, must be added to the structure.

The plan is intended for implementation after the 1967 summer field training has been substantially completed, and will be completed before the beginning of summer field training 1968 so that all units may then attend training in their realigned configuration.

Secretary McNamara emphasized the importance of the reorganization in order that the total force structure—Active and Reserve—will have the units required to enable the Army to respond promptly in meeting any emergencies that may arise in the future.

Detailed stationing plans will be worked out by the Commanding General, Continental Army Command for the units in the Army Reserve and by the Chief, National Guard Bureau and State Adjutants General for the units in the Army National Guard.

STATEMENT OF DEPUTY SECRETARY OF DEFENSE, CYRUS R. VANCE, REGARDING REALINEMENT OF ARMY RESERVE AND NATIONAL GUARD, MADE JUNE 2, 1967

The Reserve Forces of the United States are in the best shape in their history but more needs to be done. Secretary McNamara and I yesterday approved an Army plan to strengthen further the combat readiness of the Reserve Forces for contingencies anywhere in the world.

The Army's plan is based on an assessment by the Joint Chiefs of Staff of what Reserve Forces our nation needs, and what forces are surplus.

When the Army received the results of the Joint Chiefs' analysis, Secretary Resor and General Johnson developed this plan, designed for streamlined readiness and sustained effectiveness.

Our country must have a modern and up-to-date reserve forces structure. What we want and what we must have are reserve forces, manned, trained and equipped, to carry out missions within a balanced force structure.

This is precisely the objective of the Army's plan. The realignment will assure maximum effectiveness. The fighting edge of the reserve forces will thus be further sharpened.

This plan is the culmination of six years of effort to improve the readiness and effectiveness of our reserve forces. Six years ago our reserve forces lacked readiness objectives that were adequately linked to our contingency war plans. Thousands of units throughout the country were undermanned and ill-equipped. Many were surplus to our military requirements. Major steps to correct these deficiencies were taken in 1962 and 1965, and a third will be taken with this new Army plan. In the process we will have eliminated more than 3500 unneeded units, and will have added to our force structure more than 2000 needed units. We feel that great progress has been made over the last six years. The plan which is now before us will give us a balanced, ready, and effective reserve force.

The proposed reorganization will eliminate about 1000 unneeded units in the Army National Guard and the Army Reserves, and will create approximately 1000 new units. These activations will make the reserve forces compatible with the Active Forces and will give us an improved support structure for both Reserve and Active Forces.

National Guardsmen and Reservists under the realignment plan will know that they are fulfilling a heightened role in our nation's defense. Our civilian leadership and our military commanders will know that they have balanced reserve forces on which they can count for rapid response if necessary. And the American people will know that this major gain in national defense can be maintained for years to come at the minimum cost possible.

Our reserve forces have served the nation in an outstanding manner in the past. This realignment will give them even greater opportunities for more effective service to our nation in the future.

STATEMENT OF MR. STANLEY R. RESOR, SECRETARY OF THE ARMY, JUNE 2, 1967

Gentlemen, as you came in you were issued a press release which has a number of charts attached that provide information concerning the proposed Reserve Components reorganization we are announcing today.

There are several matters which I would like to emphasize with regard to this proposed reorganization.

Under the reorganization plan which we are announcing today the Army's Reserve Components will have 8 combat divisions, 18 brigades, 13 training divisions and the required reinforcing and supporting units with a total paid drill strength of 640,000. Units in the proposed structure will be manned at an average of over 90 per cent of full wartime strength and will be fully supported with equipment, technicians, and spare parts.

The Army National Guard will have a paid drill strength of 400,000 and will include 8 combat divisions and 18 combat brigades. It will also include the necessary service support units to provide essential maintenance. The Army Reserve will have a total paid drill strength of 240,000 and will include 13 training divisions, whose mission is to prepare individuals for combat, 2 maneuver area commands, the USAR schools and service support units.

The plan will achieve the following major objectives:

It will bring the reserve force structure into conformity with that needed to satisfy military requirements and that for which equipment procurement has been authorized. It will give the reserves the 8 combat divisions, 18 brigades and supporting units recommended by the JCS.

It will update the reserve force structure to conform to modifications which have been made in the Active Army over the last two years.

It will continue to provide adequate forces for the needs of each state.

It will locate units geographically and in relation to population so that the burden of mobilization will be shared equitably among the states and population.

It will diminish the need to assign involuntarily to reserve units individuals who have completed two or more years of active service.

Unlike the reorganization proposal which we made in 1965 and 1966, the current plan will maintain units and paid drill strengths in both National Guard and the Army Reserve.

The proposed reorganization can be accomplished without an unacceptable degree of turbulence. Ninety-two per cent of the units in the new structure, measured in terms of total strength, will be units already in the current structure which will be continued with no change or with merely a conversion to closely related types of units.

The Selected Reserve Force consisting of 3 divisions, 6 brigades and 150,000 men will remain substantially unchanged except for modernization of certain support units to conform to changes made in similar units in the Active Army.

We intend to begin implementing the plan after field training is completed this summer. This will permit Congress time to take action on pending legislation which may be relevant to the plan. A major portion of the reorganization will be accomplished by consolidating existing units not required by current plans into new units which are required. This will enable us to retain most of the trained personnel now in the Reserve Components.

STATEMENT OF GEN. HAROLD K. JOHNSON, CHIEF OF STAFF, U.S. ARMY, JUNE 2, 1967

In their annual review of the military forces the Joint Chiefs of Staff analyzed the requirements and military force levels needed to fulfill the requirements of the national military strategy. From this analysis, it was determined that the forces in the Army's Reserve Components should consist of 8 divisions and 18 brigades, together with other

combat, combat support, and service support units to augment and complement Active Army forces. The Joint Chiefs of Staff recommended that all of the units in the Reserve Components be fully equipped and properly supported to enable them to engage in sustained land combat promptly when called upon to do so.

When this reorganization is completed and when the resulting force reaches the prescribed strengths, equipment levels, and readiness, it will meet the requirements for Reserve Components in the Army as we see them today and in the foreseeable future. The establishment of the Selected Reserve Force was a first step in reaching a higher state of readiness. The proposed reorganization will permit additional improvements in readiness.

I want to pay special tribute to those members of the Army National Guard and the U.S. Army Reserve who have devoted so much time and energy to the security interest of our country. A new opportunity now presents itself which will require an intensified effort and renewed devotion on the part of these individuals. I know that it is their basic purpose to continue to devote their talents and energies to the nation's security and that all other interests become secondary.

Comparison of present and proposed Reserve component structure

Unit category	Present structure				Proposed structure [1]			
	Army National Guard	U.S. Army Reserve	Total	Manning level	Army National Guard	U.S. Army Reserve	Total	Manning level
	Thousands	Thousands	Thousands	Percent	Thousands	Thousands	Thousands	Percent
IMMEDIATE RESERVE UNITS								
Air defense	7.4		7.4	85	10		10	100
Units to round out Active Army	77.0	88.7	165.7	80	88	45	133	90
Brigades (now 11 brigades, to be increased to 18 brigades)	43.6	15.9	59.5	75–80	65		65	90
Mobilization base and training units	8.7	66.9	75.6	75–100	9	66	75	90–100
8 division forces	164.8	72.5	237.3	75–80	222	110	332	90
Support to other services	2.5	11.4	13.9	70		14	14	90
State headquarters and U.S. Army Reserve schools, staff and faculty	3.9	4.6	8.5	100	6	5	11	100
Subtotal	307.9	260.0	567.9		400	240	640	
REINFORCING RESERVE UNITS								
Other divisions (15 divisions, Army National Guard)	96.3		96.3	50				
Nondivisional units	13.6		13.6	50				
Command headquarters, divisional	.7		.7	100				
Subtotal	110.6		110.6					
Total	418.5	260.0	678.5		400	240	640	

[1] Breakout of strength between Army National Guard and U.S. Army Reserve and between categories is approximate and subject to refinement.

Comparison of present and future structure

Unit	Present structure				Future structure		
	Army National Guard		U.S. Army Reserve, Immediate Reserve [3]	Total	Army National Guard	U.S. Army Reserve	Total
	Immediate Reserve [1]	Reinforcing Reserve [2]					
Combat divisions	8	15	0	23	8	0	8
Training divisions	0	0	13	13	0	13	13
Command headquarters, divisional	0	5	0	5	0	0	0
Combat brigades	7	0	4	11	18	0	18
Maneuver area commands	0	0	2	2	0	2	2
Air defense battalions	44	0	0	44	31	0	31
Field Army support command	0	0	0	0	0	1	1
Support brigades	0	0	3	3	0	4	4
Adjutant General units	36	0	96	132	47	116	1
Civil affairs units	0	0	77	77	0	51	51
COSTAR units	0	0	38	38	40	208	248
Finance units	1	0	18	19	0	53	53
JAG units	0	0	196	196	0	226	226
Hospital units	15	0	107	122	0	121	121
Military police battalions	6	0	4	10	11	0	11
Public information units	34	0	25	59	0	35	35
PSYOPS units	0	0	8	8	0	6	6
Garrison units	0	0	18	18	0	4	4
Terminal units	0	0	19	19	0	19	19
Total companies and detachments [4]	2,520	1,480	3,575	7,575	2,900	3,400	6,300
Paid drill strength (thousands) [5]	307.9	110.6	260	678.5	400	240	640

[1] Manned at 80 percent or higher or full wartime strength; necessary equipment being procured.
[2] Manned at 50 percent of full wartime strength; no equipment being procured.
[3] Manned at 90 percent or higher or full wartime strength; to be fully supported with equipment, technicians, and spare parts.
[4] Approximate.
[5] Fiscal year 1967 budget strength.

MAJOR UNITS CURRENTLY IN THE ARMY NATIONAL GUARD

Immediate Reserve divisions and brigades normally manned at 80% war-time strength for which equipment is being procured.

UNIT AND LOCATION

30th Armored Division, Tennessee.
50th Armored Division, New Jersey.
26th Infantry Division, Massachusetts.
28th Infantry Division, Pennsylvania.
30th Infantry Division, North Carolina.
38th Infantry Division, Indiana.
42d Infantry Division, New York.
47th Infantry Division, Minnesota.
53d Armored Brigade, Florida-South Carolina.
86th Armored Brigade, Vermont-Connecticut.
29th Infantry Brigade, Hawaii-California.
69th Infantry Brigade, Kansas-Missouri.
92d Infantry Brigade, Puerto Rico.
258th Infantry Brigade, Arizona-Missouri-Virginia.
67th Infantry Brigade (Mech), Nebraska-Iowa.

Reinforcing Reserve divisions (National Guard) manned at 50% war-time strength for which no equipment is being procured.

UNIT AND LOCATION

27th Armored Division, New York.
40th Armored Division, California.
48th Armored Division, Georgia.
49th Armored Division, Texas.
29th Infantry Division, Virginia-Maryland.
31st Infantry Division, Alabama-Mississippi.
32d Infantry Division, Wisconsin.
33d Infantry Division, Illinois.
36th Infantry Division, Texas.
37th Infantry Division, Ohio.
39th Infantry Division, Louisiana-Arkansas.

41st Infantry Division, Washington-Oregon.
45th Infantry Division, Oklahoma.
46th Infantry Division, Michigan.
49th Infantry Division, California.

MAJOR UNITS IN THE ARNG UNDER THE PROPOSED REORGANIZATION PLAN

Eight divisions and eighteen brigades, all to be manned at 90% full war-time strength and fully supported with equipment, technicians and other essentials for readiness.

UNITS AND LOCATION

26th Infantry Division

Hq and Base, Massachusetts.
Brigade, Massachusetts.
Brigade, Massachusetts.
Brigade, Connecticut.

28th Infantry Division

Hq and Base, Pennsylvania.
Brigade, Pennsylvania.
Brigade, Maryland.
Brigade, Virginia.

30th Infantry Division *

Hq and Base, North Carolina.
Brigade, North Carolina.
Brigade, Georgia.
Brigade, South Carolina.

38th Infantry Division

Hq and Base, Indiana.
Brigade, Indiana.
Brigade, Michigan.
Brigade, Ohio.

42d Infantry Division

Hq and Base, New York.
Brigade, New York.
Brigade, New York.
Brigade, Pennsylvania.

47th Infantry Division

Hq and Base, Minnesota.
Brigade, Minnesota.
Brigade, Illinois.
Brigade, Iowa.

30th Armored Division

Hq and Base, Tennessee.
Brigade, Tennessee.
Brigade, Alabama.
Brigade, Mississippi.

50th Armored Division

Hq and Base, New Jersey.
Brigade, New Jersey.
Brigade, New York.
Brigade, Vermont.

Infantry Brigades (Sep) (14): Arkansas, California, California, Florida, Hawaii, Illinois, Kansas, Louisiana, Oklahoma, Oregon, Puerto Rico, Texas, Washington, Wisconsin.

Infantry Brigades (Mech) (Sep) (2): Nebraska, Texas.

Airborne Brigade (Sep) (1): Alabama.

Armor Brigade (Sep) (1): California.

Current and proposed paid drill strength of Army National Guard by State

State	Current	Proposed [1]
Alabama	16,283	15,355
Alaska	2,253	1,940
Arizona	2,948	2,800
Arkansas	7,720	8,050
California	22,332	21,958
Colorado	2,987	2,706
Connecticut	6,393	5,800
Delaware	3,130	2,800
District of Columbia	1,714	1,705
Florida	8,333	7,549
Georgia	7,613	8,800
Hawaii	4,253	4,595
Idaho	3,408	3,319
Illinois	11,563	11,338
Indiana	11,596	10,489
Iowa	8,333	7,811
Kansas	8,401	7,300
Kentucky	5,502	4,957
Louisiana	7,726	7,890
Maine	2,788	2,800
Maryland	6,843	6,467
Massachusetts	15,001	14,877
Michigan	9,999	9,750
Minnesota	10,850	9,653
Mississippi	10,928	10,500
Missouri	9,299	8,450
Montana	2,477	2,443
Nebraska	4,861	4,334
Nevada	880	950
New Hampshire	2,280	2,243
New Jersey	14,761	14,183
New Mexico	3,398	3,267
New York	24,765	24,520
North Carolina	11,262	11,037
North Dakota	2,993	2,600
Ohio	15,892	14,991
Oklahoma	8,974	8,400
Oregon	6,718	6,309
Pennsylvania	18,753	17,943
Puerto Rico	6,923	7,000
Rhode Island	3,343	2,900
South Carolina	11,053	9,714
South Dakota	4,145	3,757
Tennessee	11,734	10,588
Texas	17,225	17,409
Utah	4,886	4,618
Vermont	3,144	2,900
Virginia	7,698	7,761
Washington	6,757	5,904
West Virginia	3,576	3,066
Wisconsin	9,942	9,940
Wyoming	1,681	1,564

[1] Approximate.

CURRENT LOCATION OF U.S. ARMY RESERVE TRAINING DIVISIONS MANEUVER AREA COMMANDS AND SUPPORT BRIGADES

UNIT AND LOCATION

Training divisions

100th, Kentucky.
104th, Washington, Oregon.
108th, North Carolina, South Carolina.
70th, Michigan, Indiana.
76th, Connecticut, New Hampshire, Vermont, Rhode Island, Maine.
78th, New Jersey.
80th, Virginia, Maryland.
84th, Wisconsin.
85th, Illinois.
89th, Kansas, Colorado, Nebraska.
91st, California.
95th, Oklahoma, Arkansas, Louisiana.
98th, New York.

Maneuver area commands

87th, Alabama.
75th, Texas.

Support brigades [1]

103d, Iowa.
301st, New York.
377th, Louisiana.

Mr. McCLURE. Mr. Chairman, according to an article in This Week magazine last Sunday, all of the wars in America's history have cost $500 billion. The bill before us today is thus equivalent to 14 percent of that figure. When you add what was appropriated in supplementals earlier this year, you will find that the 90th Congress already has authorized defense spending totaling as much as the entire cost of all American wars prior to World War II.

And so I cannot help wondering why it is, with these billions upon billions available for our defense effort, we stagger on and on through a seemingly endless stalemate in Southeast Asia? What, indeed, will it take to achieve victory or even a face-saving settlement? If this budget cannot do the job, then it probably cannot be done.

The root of the problem must lie with those who administer the program.

Strangely enough, it is in the civilian offices at the Defense Department where the will to win is about as obscure as the reasons given for our presence in Vietnam in the first place.

Mr. McNamara's conduct as Secretary of Defense has given rise to that new phenomena, the credibility gap. On more than one occasion, he has flouted the expressed will of Congress. Against the advice of this Nation's foremost military experts, the Secretary has relied solely on the F–111 to fill our bomber requirements. He has practically invited missile attacks on this country by stubbornly refusing to build an adequate anti-ballistic-missile defense.

Furthermore, I think that any man who has misjudged the costs of the Vietnam War by $15 billion as the Secretary did in fiscal 1966 and by $13 billion as he did in fiscal 1967 has a right to expect criticism of his performance. It probably would be presumptuous of a freshman Congressman to call for the resignation of a Cabinet official. So, I shall merely say that I heartily endorse any such expression on the part of my colleagues and wish them Godspeed in their efforts.

Mr. BINGHAM. Mr. Chairman, as I have done in similar cases in the past, I shall vote for this enormous defense appropriation because there really is no alternative, as I see it. In today's world, we must maintain the strength of our Defense Establishment and our forces in Vietnam must have the equipment and supplies they need.

In the bill before us, there is no way of determining how much of the total is to be used in Vietnam or in the process of bombing North Vietnam, and therefore it is not practicable to propose amendments to limit or reduce these amounts. If amendments to this effect are offered, I shall be inclined to support them.

I compliment the committee for the reductions it has made in the budget requests, but I am disturbed that the committee has proposed additions to the administration's requests totaling over $400 million, and I intend to propose an amendment that would reduce these add-ons.

It is imperative that, in these days of economic strain, we conduct our affairs in as economical a way as possible. If the Department of Defense, having carefully studied the matter, concludes that an expenditure is not needed, I am inclined to support that judgment.

Mr. ABBITT. Mr. Chairman, the difficulty of arriving at an adequate appropriation figure which can be justified as neither wasteful nor penurious is well known and appreciated by every member of the committee. The military appropriation before us now is the largest, and necessarily the most delicate, we will consider this year because the safety of the country is involved. With this in mind, I wish to thank the committee for a commendable job in the reduction of budget requests which do not affect our combat effectiveness. While providing for such strategic hardware as a full-strength B–52 force, the FB–111, Minuteman III, Poseidon, and Nike X missiles, they have wisely recommended reduction in amounts requested for spe-

*Infantry vs. Mechanized status is under study.

[1] Under proposed reorganization, one new brigade will be added.

cial studies and overlapping training programs, and reduction in many other requests which undoubtedly exceed needs.

One particular reduction should interest us all for its implications. The committee eliminated a $400,000 request for funds to dredge Kings Bay, Ga., which is an inactive ammunition loading depot. Despite the request for funds, the Army testified that there are no current plans to reactivate the depot. Why, then, were the funds requested in the first place? Who formulated the request and for what reason? How many more such indefensible requests in this enormous budget slipped by even the astute committee and its competent staff?

While my principal purpose is to commend the committee and to support the bill, I believe that this is an appropriate time to raise the question of unpunished incompetence. What happens to the man who inserted the Kings Bay proposal to waste $400,000? Will he be left unreprimanded, uncensured, unchecked to strike again when the next budget requests are made?

I am currently reviewing a naval aircraft usage audit which contains more than $100 million of unjustifiable waste for such things as the unnecessary purchase, operation, and maintenance of 135 aircraft beyond the needs of that part of one branch of the service, the transportation of passengers and cargo at a cost of up to 50 times that of commercial transportation, and the joyriding of pilots who fly home for the weekend in planes which cost in excess of $200 per hour to operate. To illustrate my generalizations, I cite the case of a plane being dispatched to return a naval officer to his base at a cost to the Navy of $666 when available commercial transportation cost only $12, and the case of the pilot who took an HU–16 from Norfolk to his home in Minneapolis-St. Paul for the weekend at a cost of $5,663.

I wish to raise many questions from the audit before the Armed Services Committee, but my purpose in mentioning this today is to suggest that we can still pare down the military budget by hundreds of millions of dollars by deeper probes in search of unnecessary requests. The censuring or removing from positions of responsibility those people who deliberately and wantonly waste tax funds and request money for purposes which they know to be unnecessary to the national interest or in amounts beyond the real needs of the services also ought to be considered. The waste weakens our country in a very real way.

Again I commend the committee and promise to give it my full support in future efforts to provide for the true needs of our defense forces while eliminating the inexcusable waste of tax resources.

Mr. MAHON. Mr. Chairman, I believe this concludes the general debate on the bill.

I hope that the hearings and the report, which are available to all Members, as well as the CONGRESSIONAL RECORD of today, will enable all of us to be generally familiar with the huge operations of the Department of Defense. I hope that that familiarity will instill a confidence in, and support of, the defense operations of our Nation.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1968, for military functions administered by the Department of Defenses, and for other purposes, namely:

Mr. MAHON. Mr. Chairman, I ask unanimous consent that on page 1, line 6, where the words "Department of Defenses" appear that the letter "s" be deleted so that the words will read "Department of Defense".

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PRACTICE, ARMY

For the necessary expenses of construction, equipment, and maintenance of rifle ranges, the instruction of citizens in marksmanship, and promotion of rifle practice, in accordance with law, including travel of rifle teams, military personnel, and individuals attending regional, national, and international competitions, and not to exceed $21,000 for incidental expenses of the National Board; $428,000: *Provided,* That travel expenses of civilian members of the National Board shall be paid in accordance with the Standardized Government Travel Regulations, as amended.

AMENDMENT OFFERED BY MR. M'CARTHY

Mr. McCARTHY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCARTHY: on page 13, strike out line 19 and all that follows down through and including line 6 on page 14.

Mr. McCARTHY. Mr. Chairman, this amendment is very simple. It would strike $428,000 for the National Board for the Promotion of Rifle Practice. This money is used for ammunition and the loan of rifles to National Rifle Association clubs. The present law requires that groups which want this Federal aid must join the National Rifle Association.

I offer the amendment because I do not believe that the Government of the United States should subsidize an organization which espouses vigilantism within the confines of the United States. I refer to a suggestion in the May issue of The American Rifleman, the official organ of the National Rifle Association, that citizens acquire firearms to form civilian posses in order to provide a potential community stabilizer against the threat of urban rioting.

I would like to quote briefly from this editorial:

Mob action on a scale unprecedented in the modern United States has ravaged community after community in recent years . . . With homefront safeguards spotty and uncertain, the armed citizen represents a potential community stabilizer. His support of law and order, whether as a civilian member of the posse comitatus or as one of the unorganized militia, defined as "the whole-body of able-bodied male citizens," could prove essential.

I suggest to you that this is a prescription for mass mayhem, for taking the law into one's own armed hands. This $428,000 is only part of about $2 million this organization gets annually under this kind of program.

This morning's issue of the Washington Post quotes the executive vice president of the organization as stating they were given the job of checking out the suitability of groups that get Federal guns "because we have the expertise and know-how."

I say that expertise and know-how did not prevent them from running an editorial like the one to which I referred, or from carrying on their membership rolls the head of the lunatic-fringe Minutemen.

I suggest also that they do not need the money for they are prosperous, having assets of almost $11 million, partly because of their tax-exempt status under section 501 as—and I quote the IRS—"an organization exclusively for the promotion of social welfare."

I think we know it as a lobbying organization. But it is not registered under the Lobbying Act. I think they have performed a disservice to this country in fighting reasonable firearm legislation. We are going to hear about arming the Arabs. I suggest to you that because of the lack of effective firearms laws, we have permitted the arming of very militant far left and far right antagonistic groups, groups like the Black Panthers and the Minutemen. This situation represents a force for instability, especially in the coming hot summer.

Mr. Chairman, I think this whole practice is at best questionable, and I certainly think that the record shows that the NRA is not a proper or responsible conduit for Federal guns and ammunition, and that we could save the taxpayers $428,000 by adopting this amendment.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield to the gentleman from New York.

Mr. BINGHAM. I would like to commend the gentleman from New York for bringing this matter to the attention of the Committee, and I would like to be associated with his remarks and I shall be glad to support his amendment.

Mr. McCARTHY. I thank the gentleman.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield to the gentleman from New York.

Mr. SCHEUER. I would like to commend the gentleman, and I support him most wholeheartedly. I do this as a Member who has enjoyed for decades the use of firearms. As a young fellow I was a member of a National Championship Rifle Team, and earned the "Expert Rifleman" citation of the National Rifle Association. I have been a member of rifle and pistol clubs for almost all my life. I own a wide variety of sidearms, shotguns, and rifles. At my home in a locked box I have what constitutes a veritable arsenal of weaponry. My four kids aged 7 to 15 all handle pistols, rifles, and shotguns, with skill, respect, and

care. The NRA plays a useful educational role in teaching Americans, myself included, how to use firearms prudently and skillfully. But I am persuaded from their recent published statements and activities, that they should play no formal official, governmentally sanctioned, and subsidized role, directly or indirectly, in the training of our citizenry in the use, and more importantly, in the purposes of the use, of firearms. It is a relationship between a private group and our defense agencies that is bad in principal and worse in practice. It should be brought to a prompt halt by the passage of this amendment.

Mr. SIKES. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Florida is recognized for 5 minutes.

Mr. SIKES. Mr. Chairman, I am not sure that I understand the purposes of the amendment offered by the distinguished gentleman from New York. His remarks were directed against the National Rifle Association, but if we look at the language of the bill, it has no reference to the National Rifle Association. His amendment strikes at the National Board for the Promotion of Rifle Practice.

Possibly the amendment was inspired by a story in one of the local newspapers that NRA is subsidized by the U.S. Treasury. This is not the case. The National Rifle Association gets no subsidy from the U.S. Government. Nor has it provided arms and ammunition to either of the groups named by the distinguished gentleman.

The National Rifle Association, by helping to carry out the duties and responsibilities which are assigned by law to the National Board for the Promotion of Rifle Practice, is actually subsidizing the U.S. Treasury. What is done represents a service to the Government which *is not paid for* from Government funds.

I believe the principal point we want to consider today is that we have a program which has been carried on since 1903 to train young men in the use of arms in the realization that this could be helpful to them and to our country in case of war. The clubs and the individuals who participate are carefully screened.

Nothing is taken from the active forces by making arms and ammunition available for this purpose. The rifles and the ammunition which are used generally are obsolescent or overage, but in the hands of the National Board for the Promotion of Rifle Practice they serve a very useful purpose. I believe this is better than making them into scrap or selling them as surplus into what may be irresponsible hands.

I would like to point out that this program has been going on since 1903 when Elihu Root, as Secretary of War, sponsored the program. During that time the program has worked well. The people have found it useful. No one has tried before in my 27 years here to kill the program. Now, when we are at war it is an inopportune time to do so. If that is the purpose of the amendment, it simply falls on its face, because it would eliminate the directing force of the program, the National Board for the Promotion of Rifle Practice, and accomplish nothing useful.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, when we return to the House, I shall ask unanimous consent to place in the RECORD at this point a breakdown of the funds carried here.

They include $159,000 for the civilian personnel to operate the National Board for the Promotion of Rifle Practice, for example. There is also included $80,000 for the travel of civilian teams to the National Rifle and Pistol matches. At the 1966 national matches, held at Camp Perry, Ohio, 46 rifle and 56 pistol teams, representing 49 States and Puerto Rico, participated. Funds for the lease of Camp Perry, Ohio, which is the site for the national rifle matches, are included in the $428,000 provided for this activity.

The material referred to follows:

The primary mission of the National Board for the Promotion of Rifle Practice is to promote marksmanship training with military type individual small arms among able-bodied citizens outside the active services of the Armed Forces, to formulate policy governing civilian marksmanship programs, and to formulate rules and regulations governing the National Trophy Matches.

The training program of the National Board is conducted through civilian shooting clubs and schools scattered throughout the United States. As of 30 June 1966, there were 387,947 individuals enrolled in 5,789 clubs and schools.

The $428,000 requested for FY 1968 is not intended to cover all the expenses of the marksmanship program carried out by civilian clubs. The ammunition and targets furnished constitute only a fraction of the year's requirement of the average shooter. Most of the ranges used are privately owned and maintained and the instructors contribute their own time as a public service. The Board's program is a stimulant to get young men interested in shooting with military weapons and to maintain a corps of instructors to teach young men to shoot properly. In return for the assistance given, the recipient must agree to fire one of the U.S. Army's qualification courses with a military weapon and the clubs must report the results of the firing in order to remain eligible for assistance the following year.

Funds for personnel costs in FY 1968 will support the present personnel authorization, 22 civilian positions. The reduction of $3,000 in FY 1968 represents the savings in the number of working days and the elimination of overtime costs.

Funds requested for travel in FY 1968 are $43,000 below the FY 1967 level. U.S. teams will participate in one international shooting match in FY 1968, the Pan American Games, to be held in Winnipeg, Canada in July 1967. The cost will be $19,000.

As in FY 1967, $80,000 is requested for the travel of civilian teams to the National Rifle and Pistol Matches. At the 1966 National Matches, held at Camp Perry, Ohio, 46 rifle and 46 pistol teams, representing 49 States and Puerto Rico, participated in the matches.

Funds for the lease of Camp Perry, Ohio, as a site for the National Matches are continued at $50,000 a year. The original lease provided payments of $150,000 a year for the first four years (FY's 1961–1964) and $50,000 a year for the remaining 21 years of the lease.

The amount requested for badges, medals and trophies, $17,950, is the same amount as requested in FY 1967. This item includes all marksmanship awards issued to civilians and all trophies, plaques and medals awarded at the National Matches.

Target funds required in FY 1968 are estimated to be $53,000, which is $18,700 less than the amount required in FY 1967. During FY 1967, the Army adopted a new high-power rifle target. In order to keep the civilian marksmanship program in line with the Army's training methods, an initial issue of these targets was made to all clubs firing high-power rifles. It is anticipated that the requirement for FY 1968 will be reduced since many clubs will have a stock of the new target on hand.

Equipment requirements for the National Matches, $25,000, are continued at the FY 1967 level. This item includes all of the non-expendable equipment used at the matches, to include range equipment, mess equipment, bedding and the many miscellaneous items necessary to support approximately 7,000 competitors and 2,900 support personnel.

Mr. MAHON. Mr. Chairman, I ask for a vote on the amendment.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Georgia.

Mr. FLYNT. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York. In opposing this amendment, I would like to associate myself with the remarks of the gentleman from Florida [Mr. SIKES] and the gentleman from Texas [Mr. MAHON].

The reasons given by them clearly demonstrate that the overall national benefits derived from this program far exceed the $428,000 provided for in this item of the bill.

The National Board for the Promotion of Rifle Practice, since its establishment in 1903, has fulfilled an important function in training servicemen and civilians alike in the fundamentals of knowledge and use of firearms.

This knowledge and use of weapons has been in the national interest and there are few, if any, examples in which the knowledge and proficiency thus gained have been for any criminal activity, anywhere, at any time.

The author of the amendment undoubtedly has not reviewed the 64-year history of this board and the functions which it has performed. If he had done so, I am confident he would have come to the unmistakable conclusion that it has been a good program, and has justified its existence and continuance over the years.

Insofar as I have been able to learn, the history and record of the National Board for the Promotion of Rifle Practice does not form a basis for the story which appeared in the newspaper this morning. Contrary to the contents of this newspaper story, the organization referred to therein has contributed much more to this program than the entire amount provided for in this item of this appropriations bill. Mr. Chairman, if any change should be made in either the language or the amount contained in this item of the bill, the amount should be increased to at least equal the amount provided in fiscal year 1967.

Mr. Chairman, I oppose the amendment offered by the gentleman from New York and I urge that it be rejected.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from California.

Mr. LIPSCOMB. I thank the gentleman for yielding.

I wish to join the gentleman and others in opposing this amendment. The National Board for the Promotion of Rifle Practice has promoted rifle marksmanship instruction over a great number of years. It has encouraged U.S. participation in many international smallarms competition. These funds provide for our participation in the coming Pan American games. It is a worthwhile operation.

I encourage the Members to vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. McCARTHY].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PROCUREMENT OF EQUIPMENT AND MISSILES, ARMY

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, ammunition, equipment, vehicles, vessels, and aircraft for the Army and the Reserve Officers' Training Corps; purchase of not to exceed five thousand passenger motor vehicles (including eleven medium sedans at not to exceed $3,000 each) for replacement only; expenses which in the discretion of the Secretary of the Army are necessary in providing facilities for production of equipment and supplies for national defense purposes, including construction, and the furnishing of Government-owned facilities and equipment at privately owned plants; and ammunition for military salutes at institutions to which issue of weapons for salutes is authorized; $5,475,000,000, to remain available until expended.

Mr. GROSS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time to ask the distinguished chairman of the Appropriations Committee or some member of the subcommittee to provide us with an estimate of the amount of military equipment which is proposed to be purchased abroad. I have in mind, I would say to the distinguished gentleman, the proposal by this Government to buy some $60 million to $80 million worth of military equipment in Great Britain.

May we have some figures, if it is available, as to how much of the $70 billion in this bill is going to go for military equipment purchased in foreign countries?

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Texas.

Mr. MAHON. I should like to give some information on that subject to the gentleman from Iowa.

The United States has sold over $11 billion in military equipment to our allies in the 5-year period from fiscal year 1962 through 1966.

Mr. GROSS. I would say to the gentleman that I am not asking about how much we have sold. I am asking how much this Government is going to buy in foreign countries?

Mr. MAHON. I was about to say that we have sold $11 billion worth and we propose to buy $325 million worth. That is the quick answer.

Mr. GROSS. Is that the total, $325 million?

Mr. MAHON. I do not believe it would include all items. I do not have a list of items before me. If one calls oil military equipment, we must remember that a lot of oil is bought overseas.

Mr. GROSS. It was publicized in the newspapers a few days ago that the United States was considering the purchase of 200 executive-type jet airplanes from Great Britain. Did this come before the gentleman's committee? Does the gentleman know anything about the purchase of 200 jet executive-type planes? If so, why do we buy them in Britain and who is going to use them when they get to this country?

Mr. MAHON. We are buying from Canada, under this bill—and it is above the budget estimate, by the way—a few copies of the Caribou aircraft, in the total sum of $12.5 million.

Mr. GROSS. What about the executive-type planes they are talking about buying?

Mr. MAHON. Offhand, I do not think those would be involved here. Perhaps some other member of the subcommittee is able to provide some further information on your inquiry.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from California.

Mr. LIPSCOMB. There have been some ideas expressed as to the possible future procurement of aircraft of this type, but there is nothing in this particular bill for a procurement of jet-type executive aircraft such as has been mentioned by the gentleman from Iowa.

Mr. GROSS. If purchased, who is going to get these British executive-type planes, and why does this Government not buy Jet Stars made in this country or some other similar type of plane made in this country?

Mr. LIPSCOMB. I am all for keeping it in this country. I do not believe in this particular type of procurement being accomplished with foreign firms.

Mr. GROSS. I do not understand why we are buying some $325 million worth of military equipment from Great Britain or from any other country. We have the capacity to produce all we need in this country. We hear about poverty in this country every 15 minutes. What is wrong with our employing more Americans?

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman.

Mr. MAHON. Are we not taking care of American industry and labor in selling $11 billion worth of military equipment to our allies in a 5-year period? What is wrong with that?

Mr. GROSS. Everything in the world is wrong with it. We are getting an awful good lesson right now out of the Middle East. We armed those nations and then they started fighting and tearing each other up. Now we are getting the word over in the Committee on Foreign Affairs that we probably will be asked to put up many millions of dollars in order to patch things up again. That is what is wrong with it.

Mr. MAHON. We did not sell $11 billion in military equipment to the Middle East countries. I referred to our allies.

Mr. GROSS. How cockeyed contradictory can we get in this country when we talk about peace, spend millions of dollars a year on a disarmament agency, and then peddle $2 billion worth of arms a year around the world? How contradictory can we get?

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PROCUREMENT OF AIRCRAFT AND MISSILES, NAVY

For construction, procurement, production, modification, and modernization of aircraft, missiles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands, and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public or private plants; $2,946,500,000, to remain available until expended of which $208,800,000 shall be available only for the F111–B aircraft program.

AMENDMENT OFFERED BY MR. BINGHAM

Mr. BINGHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BINGHAM: On page 16, line 14, strike out "$2,946,500,000" and insert in lieu thereof "$2,839,800,000,".

Mr. BINGHAM. Mr. Chairman, my amendment would be to eliminate the $106.7 million that has been added on to the request for the EA–6A aircraft. It is an item which appears on page 4 of the committee report under the summary of additions recommended by the committee.

Mr. Chairman, I do want to commend the distinguished committee for the conscientious job I know they have done in making reductions in the requested appropriations, but I am seriously concerned at the amount of over $400 million in add-ons. I propose this amendment as a way of pointing up the problem.

This sum of $106.7 million was not requested by the Defense Department but apparently was made by the Department of the Navy. In this era, when we are faced with inflation and when there are great demands from all sides for expenditures that are necessary, we should economize to the extent we can. When the Defense Department has studied the matter and has come up with the conclusion that this request from the Navy Department should not be met, I believe that it would be wise and economical for this body to go along with the Department of Defense.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I will be glad to yield to the distinguished gentleman from Wisconsin.

Mr. LAIRD. Does the gentleman from New York intend to submit amendments on all of the add-ons which we made?

Mr. BINGHAM. No, but, as I said,

I am concerned about the total amount of add-ons.

Mr. LAIRD.This add-on for the EA–6A is in accordance with the recommendations of the Committee on Armed Services of both the House and the Senate.

It is true that the Chief of Naval Operations and the Secretary of the Department of the Navy appealed the decision of the Secretary of Defense. The *Secretary of* Defense did not support this particular item. But the Secretary of the Navy and the Chief of Naval Operations did support it. The House Committee on Armed Services supports it, the Senate Armed Services Committee supports it, and the conference committee agreed to this particular add-on.

Mr. BINGHAM. Mr. Chairman, I want to state to the gentleman from Wisconsin [Mr. LAIRD] that I am aware of that. I am proposing this amendment as a way of protesting the fact that such heavy additions have been made to the request submitted. This item is also the type of expenditure which I believe has to do at least, in part, with the intensified bombing of North Vietnam with which I and other Members of the House of Representatives are not in agreement. It is difficult to make out from the hearings on this item—part 4, pages 209 to 212—just what the facts are.

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the Congress has authorized $106 million, through legislation sponsored by the Committee on Armed Services, for these EA–6A aircraft for use in the war in Southeast Asia.

The Joint Chiefs, who have primary responsibility in connection with the war, have recommended these aircraft and have stated that they are urgently needed by the Marines in order to fight the particular type of war in which they are involved.

Mr. Chairman, it is my opinion that it would represent a serious blow to our defense effort should the Congress deny the funds provided herein for the EA–6A aircraft.

Mr. PIKE. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from New York.

Mr. PIKE. I thank the distinguished gentleman from Texas, the chairman of the Committee on Appropriations, very much for yielding to me at this time.

Mr. Chairman, I would like to say that I appreciate on behalf of Marine aviation in general the fact that these aircraft have been added. They are not essentially a bombing aircraft. They are electronics jamming aircraft. They are designed to save American lives by jamming the radars and the SAM's of the North Vietnamese.

Mr. MAHON. Mr. Chairman, the Marines need these planes very, very badly and I commend the Armed Services Committee for having added them to the authorization. I further wish that all these planes were available at this moment in Vietnam where they are badly needed. This is a new plane for a vital mission and we have very few of them.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Mr. Chairman, I thank the gentleman from Texas for yielding to me at this time.

Mr. Chairman, this is one of the most important additions made by the committee from the strategic standpoint of the prosecution of the war in Vietnam. It is the most important of any that the committee added.

Mr. Chairman, I would caution the members of the Committee today against voting for this amendment. This amendment should be defeated. These add-ons are necessary in order to protect the lives of our fliers and in order to see that the war is prosecuted on a much safer basis from the standpoint of our service personnel.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, the record of the committee hearings is full of instances where witnesses have stated, one after the other, that this is the greatest single need in additional aircraft. This plane is not a bomber, as has been previously pointed out. Primarily, it is an electronics aircraft, and one which illustrates a state of the art in aircraft design not heretofore reached.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BINGHAM].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SHIPBUILDING AND CONVERSION, NAVY

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools, and installation thereof in public or private plants; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such land, and interests therein, may be acquired and construction prosecuted thereon prior to approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; $1,420,000,000, to remain available until expended: *Provided*, That none of the funds herein provided for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign shipyards for the construction of major components of the hull or superstructure of such vessel.

Mr. ANDERSON of Tennessee. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wonder if I might ask a question of the distinguished chairman of the Committee on Appropriations.

Mr. Chairman, the committee report states on page 47 that the Committee on Appropriations will expect the Defense Department to proceed with the advance procurement of the second fiscal year 1968 nuclear frigate, and that the committee will expect the Defense Department to request funds for the full construction of the second nuclear frigate in the 1969 shipbuilding program.

Is that statement, Mr. Chairman, sufficient to insure that the Defense Department will actually build this second fiscal year 1968 nuclear frigate?

Mr. MAHON. Mr. Chairman, if the gentleman will yield to me, I would say the answer to the question is "No." The language is not sufficient to compel the Department of Defense to build the additional frigates that are provided for in this bill. You can lead a defense official to water, but you cannot make him drink, and that is the problem here. I believe these funds will be used, and I certainly would want to emphasize that it is the position of the committee, and I am sure of the House, that we should proceed with all deliberate speed with the construction of these ships for the nuclear navy. I believe this is the wave of the future in navy warfare.

Mr. ANDERSON of Tennessee. Then, Mr. Chairman, would it be proper to say that it is clearly the intention of the Committee on Appropriations and, therefore, the intention of the House, that they should be built?

Mr. MAHON. I say to the distinguished gentleman, who has distinguished himself in the field of nuclear propulsion in the Navy, that it certainly is the view of the committee, and I believe of the House, that the Department of Defense should proceed with construction.

I commend the gentleman for his interest.

Mr. ANDERSON of Tennessee. I thank the distinguished chairman.

AMENDMENT OFFERED BY MR. BYRNES OF WISCONSIN

Mr. BYRNES of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BYRNES of Wisconsin: On page 17, line 9, before the period, add the following: *"Provided further*, That none of the funds herein provided shall be used for the construction of any naval vessels in foreign shipyards."

Mr. BYRNES of Wisconsin. Mr. Chairman, first I do want to congratulate the subcommittee that has had the responsibility of preparing this bill and bringing it to the House. Theirs has been a mammoth job, and I believe we should all express a feeling of appreciation to them for the job they have done. Because I offer an amendment certainly should not be interpreted as being critical of the work of the committee.

Mr. Chairman, I do believe here is one area, however, that a change should be made in the bill as it comes to us.

I would ask the members of the Committee to take the bill as reported by the committee and read the last five or six lines of the first paragraph on page 17 where, after making the funds available, the $1.42 billion for shipbuilding and conversion, Navy, there is a proviso in the bill:

Provided, That none of the funds herein provided for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign shipyards for the construction of major components of the hull or superstructure of such vessel.

We already have, therefore, a limitation on the construction of all major components of naval vessels abroad, but

the interesting thing is that there is no restriction about having the whole ship built abroad.

What I suggest, Mr. Chairman, is that we should add this additional proviso that none of the funds herein shall be used for the construction of a naval vessel in foreign yards.

The reason this comes to my attention is the fact that there is a practical situation that has been developing and is before us today, in a sense. This appropriation provides for the funding of seven vessels called MOS, ocean mine sweepers. Their duty is mine sweeping and mine hunting, and they operate in support of our amphibious forces.

It is a combat ship. It is a ship of new design, new advance design, according to the words of the Navy, a prototype.

The seven that are funded in this bill are seven out of 16 that it is proposed to be built. We have already authorized and funded in previous years nine of this type vessel, but none of them has yet been contracted for or bids let.

Four were authorized for construction in fiscal year 1966. Five were authorized for construction in fiscal year 1967.

This bill contains seven for 1968.

But what is the plan of the Defense Department? The plan is to give all 16 ships of this new prototype and new vessel of advanced design—that they all are to be given to the British for British construction.

The nine that have already been funded are for 1966 and 1967. Of course, we cannot touch that by legislation here. So there is nothing we can do in a sense, I suppose, to affect their intention to go ahead and let the contracts on those nine.

But I suggest to this House that we should have the responsibility of at least having seven of the 16 constructed in yards here so that we can maintain in this country an expertise with regard to the construction of this type of vessel and so that we do not lose the know-how and experience in building this type or class of vessel.

In my judgment, we should not place sole and immediate reliance upon a foreign source 3,000 miles away and beyond our control. Where are we going to get this type of ship when foreign yards either cannot or will not build them in case of some future emergency?

To me, it is utter folly to put all of our eggs in one basket and then put that basket abroad. All I am suggesting here is that we say to the Navy or to the Department of Defense that these seven—these seven out of 16, at least let us let the contracts for their construction to American yards.

Mr. GARMATZ. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am completely in favor of the distinguished Member's amendment to restrict expenditures under this bill to American yards.

As chairman of the Merchant Marine and Fisheries Committee, on many occasions I have been told by witnesses that it is unnecessary to restrict construction of merchant ships to American yards because the necessary know-how to build merchant ships during wartime would come from the fact that Navy ships are being built in American yards.

I must say that I am not persuaded at all by this argument and the very fact that an amendment such as this has become necessary amply supports my misgivings with respect to maintenance of an adequate shipbuilding base in the United States.

True it is, that up to the moment only a few isolated contracts have been given out abroad and only a few more bids have been sought. But, nevertheless, the intent to build abroad is evident and I am firmly convinced that it is wholly detrimental to the United States.

I am aware of the argument in favor of building abroad—that our airplane industry receives large orders from abroad and that we must do something to spend some of these profits in Britain and elsewhere, but I feel that our ultimate survival in case of war is far more important than a balance-of-payment matter, and that we can assure our future only by having the necessary skills within our immediate control.

We cannot count on Britain or Japan to build our warships or our merchant ships in case of an emergency. We can only rely on our own strengths and skills, and we must keep these skills alive.

Mr. DOWNING. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I am glad to yield to the gentleman from Virginia, a member of the Committee on Merchant Marine and Fisheries.

Mr. DOWNING. Mr. Chairman, I completely concur in the statement just made by the gentleman in the well, the chairman of the Merchant Marine and Fisheries Committee of the House. He is knowledgeable in this matter and has made a good statement.

I am also in sympathy with the intent of the amendment just offered. For some reason it seems to me the administration is intent on building our ships in foreign yards. For what reason I cannot know. We talk about the balance of payments. Certainly this is not going to contribute to a solution of our balance-of-payments problem by building ships in foreign yards.

We talk about keeping the employment level high. This is taking employment away from these people. We talk about maintaining the state of the art. We are certainly not helping that. Right at this moment the Secretary of Transportation is trying to sell a maritime policy which has as one of its cornerstones the building of ships abroad. I think it is time that we stop this.

Implements of war, such as naval ships and maritime vessels which will be used and are necessary in time of war, should be built at home. I intend to support the amendment.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from California.

Mr. MILLER of California. I thank the gentleman from Maryland. I have had the privilege of serving with him on the Merchant Marine and Fisheries Committee for many years, and I subscribe to the thought that he has submitted here.

When are we going to learn? Those of us who can remember 1917 remember that one of the things that was the pacing item of that war was the building of ships to supply logistically our troops abroad. Many of us still remember the old saying that the wooden ships we built were built with wood so green that they could still hear the birds singing in the trees.

Then came World War II, and again the pacing item was shipping to support our foreign efforts.

Are we going to forget, or have we forgotten the lessons of these two wars?

I remember when a group of people representing a foreign chamber of commerce came before the Committee on Merchant Marine and Fisheries and pled that this country abandon its merchant marine because we had other resources, and let them handle the sea traffic of the world as they need no great natural resources. What would happen to our foreign exports if we should become dependent upon foreign shipping? This is what we are rapidly coming to. I thank the gentleman for his very fine statement.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I would like to add to what the gentleman from Maryland said. I think this is a reasonable amendment which has been offered. It does not demand that all 16 of these minesweepers be built in the United States. It says that instead of all 16 being built abroad, at least seven of the 16—just seven—be built in the United States so that we can maintain this capability which could be very important at some future time. I agree with the gentleman from Maryland. I hope the chairman of the subcommittee, the gentleman from Texas, will accept this amendment because it is a good amendment and it should be accepted.

Mr. GARMATZ. I thank the gentleman.

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendment. I have before me a statement of the position of the administration on this issue. The effect of the pending amendment is that we deny the Navy the right to let Great Britain compete for the construction of some minesweepers.

It is not proposed that these ships be built abroad unless the bidding abroad is below that proposed by shipbuilders in this country.

I would like to read a portion of the statement with respect to this matter:

1. *The US has sold over $11 billion in military equipment to our Allies in the five year period,* FY 62–66. As a general principle the US must be willing to procure selected equipment abroad for use by US Forces as part of large scale foreign purchase programs in the US under competitive arrangements consistent always with our principal interests in military preparedness, security of our equipment and our own political and economic objectives. To eliminate ships from any such small selective purchases abroad is to provide a special and unwarranted privilege to one military equipment industry at the expense of others.

We do not propose to eliminate purchase of some aircraft in Canada. No, just the special purchase of this type of ship. Now I will continue to read the statement:

2. Specifically the UK committed itself to purchasing over *$2 billion* in equipment from the US industry over the next ten years. The US in return committed itself to purchasing *$325 million* of equipment from UK industry on a competitive basis over the same time period.

This is a matter of commitments which have been made. If we do not buy the ships, then we have to buy aircraft or something else, because we are committed.

The United Kingdom has already confirmed orders for approximately $1.3 billion and has committed itself to follow-on costs of over $700 million over the 12-year period of the agreement. The United States has confirmed $143 million was for ships, $100 million for aerospace industry items, and the balance in miscellaneous Army and supply items. Based on prior consideration of the shipbuilding problem by the DOD and Congress, the United States has additionally committed itself to placing 16 minesweepers, 2 AG's and 2 salvage tugs into competition between United Kingdom and United States industries in addition to many other aerospace and ground items. This competition involves 9 MSO's for which funds have already been appropriated by the Congress, and 7 MSO's, for which funds are in S. 666. This would bring the total ships to be placed into competition abroad under the United Kingdom arrangement to $143 million if the United Kingdom industry successfully competes, out of a total shipbuilding appropriation for these three years of $6.2 billion or less than 2.5% of the total new shipbuilding program not counting the backlog of about $7 billion in United States shipyards. To place the shipbuilding industry in a privileged position as proposed by the Byrnes Amendment even for this small percent would not only be unfair to all other United States industries but would place the DOD in a position of being unable to carry out a commitment entered into formally with the United Kingdom and previously discussed with the Congress of the United States.

I underline the word "commitment." We are committed. Members of Congress from districts where they produce aerospace equipment and aircraft should get up under this technique and offer amendments to prohibit the carrying out of these arrangements.

(By unanimous consent, Mr. MAHON was allowed to proceed for 5 additional minutes.)

Mr. MAHON. Mr. Speaker, I will continue reading the statement:

3. The proposed amendment prohibits all types of ships. However, the record shows that it is the purchase of the minesweepers which probably involves only three shipyards in the United States which is at issue. These ships were selected by the U.S. Navy for competition by United Kingdom industry in 1965.

While they are slightly longer than previous MSO's, *there are no new basic techniques involved in the hull portion*—and the US Government will furnish all of the complicated equipment to be installed on the ship from US sources. The basic changes in hull specifications are similar to those already incorporated into coastal minesweepers being built in US shipyards. Thus it is the opinion of the Department of Defense that there is no need to provide a special privilege to the few shipyards who have indicated an interest in competing on these ships.

I say, as a matter of fairness to our colleagues, if we are to do this for the shipbuilding industry then we ought to do it for the aerospace industry and for other industries in the United States. Since we have sold $11 billion worth of military equipment abroad it seems to me we ought to be willing to buy a small fraction of our equipment abroad.

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Alabama.

Mr. ANDREWS of Alabama. I might say that Admiral Fahy told our committee:

This is part of the exchange program for the British buying the F–111 or TFX, and our share of supporting them is to let them bid in on MSO's and ATS's and the two AG's.

Mr. MAHON. I thank the gentleman.

Mr. ANDREWS of Alabama. And he did say that price would be taken into consideration.

Mr. MAHON. Of course prices will be taken into consideration.

Mr. DOWNING. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Virginia.

Mr. DOWNING. I thank the gentleman.

Of course we all know that if this is put out to competitive bidding the United States will not have a very good chance, because our costs of things here are so much higher. They will underbid us. It will go to Great Britain.

Mr. MAHON. But, in return for their buying the F–111's, we have committed ourselves to buy other items.

Mr. DOWNING. Who committed us, on an industry that is sick? We are trying to revive the shipbuilding industry. We have no maritime industry. Some of our yards are folding. Why was a commitment made which would further hurt a sick industry?

Mr. MAHON. A commitment is a commitment, and a strong and powerful nation ought to stand by its commitments. We ought to vote down this amendment.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. Do we have a commitment that we will fund this in this bill?

The gentleman is not telling us that somebody has made a commitment that all this has to be done, that the Congress even has to fund the seven involved here. That is up to the Congress, as to whether we will authorize these seven and fund them.

Mr. MAHON. They have been authorized, and this is providing the funds for the ships.

We have committed ourselves to buy certain amounts of material from the British. The Navy has selected these wooden-hull minesweepers, and we are going to furnish the technical equipment for them.

Why not stand by our commitments? What is wrong with that?

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Iowa.

Mr. GROSS. Who made the commitments?

Mr. MAHON. The U.S. Government.

Mr. GROSS. Who made the commitments for the U.S. Government?

Mr. MAHON. The Department of Defense.

Mr. GROSS. That means Robert Strange McNamara?

Mr. MAHON. It means the Department of Defense, and he happened to be the Secretary at the time.

I would hope we could at least let these ships be competed in this country and in Great Britain and that we will not try to take an action which would be equivalent to the great and proud United States welshing on its commitments.

Mr. GROSS. Is this the same individual who closed down the shipyards?

Mr. MAHON. No one is advocating that we close down shipyards. We may possibly have too many, but no one is proposing that we close them down.

Mr. GROSS. He did close them down. The same McNamara closed them down.

Mr. MAHON. Other shipyards than those which would be involved here.

Time marches on.

Mr. CEDERBERG. Mr. Chairman, I rise in support of the amendment.

I would urge the Members to give it very serious consideration. I believe there is more at stake than the three shipyards which are involved.

I admit a particular interest in this because I have one of the small shipyards in my hometown. I know the difficulty that the small yard has today in competing. The yard in my district has already lost bids to British concerns. Saying that the American yard has a right to compete with the foreign yard is just nonsense because it is absolutely impossible for American shipyards to compete with British shipyards. It just cannot be done.

Now, let me tell you another reason why I am opposed to allowing these ships to be built in Great Britain. The Navy now has a new method of awarding contracts on ships for the Navy. The shipyard in my area over the years built many Navy ships—guided missile destroyers, destroyers and destroyer escorts—on the Great Lakes that go up through the St. Lawrence Seaway to the ocean. But now the Navy, when it lets bids for these ships, will let a bid for a large number of ships for one yard whereas in the past they would break these bids up so that they could keep a mobilization base. Now, this yard and others on the Great Lakes and other small yards do not get an opportunity to compete on this Navy work. So what you are doing is allowing the smaller yards that can build these ships to go out of business. You are requiring them to compete with Great Britain. With the present policy of the Navy in shipbuilding, allowing only the very largest yards in this country to build these Navy ships, we are leading to the destruction of the small yards. The small yards that have historically had a part in the shipbuilding business—and I might say have done

a very efficient job in providing ships to the Navy—are about to go out of business. I do not think this is fair. I do not think it is fair for our own Navy to have a kind of construction program which makes it impossible for these yards to bid effectively and also places them in competition with foreign yards.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman.

Mr. BYRNES of Wisconsin. These 16 ships would involve around $120 million.

Mr. CEDERBERG. Let us say it is $120 million out of about $2 billion—I do not know how much the gentleman from Texas said was involved here, but certainly they can find some other items for this $120 million and keep these shipyards in business. It would give these smaller yards an opportunity to compete among themselves within the United States without having to compete with foreign yards. It is impossible for them to compete. If you want to put some shipyards in this country out of business, just vote this amendment down and that is exactly what you are going to do.

Mr. PIKE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think all of us recognize the great emotional appeal of buying anything we can get in America and never buying anything anywhere else. We in New York are not indifferent to the problems of shipyards. We even used to have a shipyard in New York, too. We do not have a naval shipyard there any more. It is gone. The gentleman from Virginia, who is a very articulate spokesman for a very excellent shipbuilding area has said that if this amendment does not pass we are not going to buy these ships in America. He says the American yards will not have a chance. This is another way of saying in the final analysis that they are going to be obtainable cheaper if this amendment does not pass. The ships will be procured at a lesser cost in open competition. I do not think that the American taxpayer is going to be outraged at the concept of spending a little less money to buy some of these ships.

Mr. Chairman, I do not believe that anyone is going to be too unhappy if we buy something of equivalent value at a lesser price somewhere else.

Now, Mr. Chairman, I am not in favor of doing this all over the place. I do recognize the peculiar problems of the American shipbuilding industry. But we cannot buy anything ever, anywhere abroad, without stepping upon the toes of some American industry.

Mr. Chairman, there has never been a proposal to buy anything anywhere that did not offend someone; I do not care whether it was ships or planes or engines or tanks or fabrics or buttons or wine, you name it.

Mr. Chairman, we do have a tremendously favorable balance of trade and we have a tremendously favorable balance of commercial trade. We have a tremendously favorable balance of military trade.

Mr. Chairman, the chairman of the committee has properly pointed out how tremendously favorable this balance is. We just cannot hope to sell and sell and sell abroad and never, never ever buy abroad.

Mr. Chairman, I hope that this amendment will be defeated.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, the gentleman from New York has made a statesmanlike speech. I support his position and wish to associate myself with his remarks.

Mr. PIKE. When I read it in the RECORD tomorrow, I may perhaps wish I had made it myself.

Mr. ZION. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, I have in my files a newspaper clipping from Hong Kong dated about 16 months ago, when I was there. It announced a big contract for a Hong Kong shipyard to build barges for the United States, apparently because the States were incapable of building them themselves.

Mr. Chairman, this was an interesting contract because it provided a substantial profit to these Hong Kong shipbuilders. I was a little bit distressed about it at the time, and I am considerably more distressed about it now, because through the Hong Kong Harbor goes about one-half of the gross national product of Red China, without which we would not be facing all of this armament in North Vietnam.

Mr. Chairman, if we are going to continue to support these countries which are stabbing us in the back in Vietnam by giving them valuable contracts instead of producing the items ourselves, then it is my opinion that we shall continue to see "Vietnams" occur all over the world.

Mr. Chairman, I am very much in favor of the amendment and I hope that my colleagues will joint me in my effort to see that we stop helping these countries that are killing our men in Vietnam.

Mr. DOWNING. Mr. Chairman, will the gentleman yield?

Mr. ZION. I yield to the gentleman.

Mr. DOWNING. Mr. Chairman, I would just like to answer my friend, the gentleman from New York, who was talking about the economics of this matter.

If we are just interested in economy I am sure these ships can be built cheaper in Japan. That nation can build ships for about half of what the Western World can.

Of course, I realize we have to have reciprocal trade. I know that. But my argument is that when we reciprocate we should pick an industry that is not sick. We should pick a vibrant industry, one that can stand the shock of this. But we are picking on an industry that needs help.

Mr. Chairman, I have watched the hydraulic turbine industry dwindle in about 10 years' time when they had 10 firms who were manufacturing this huge equipment, and today we have only three. Primarily that was because our Government has been constrained to award turbine contracts abroad because they can get them cheaper. Therefore we have ruined an industry which can produce these valuables pieces of machinery, and as a result we have lost some of the valuable know-how. I do not want to see that happen here.

Mr. SIKES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I shall not take the full 5 minutes, but simply want to point out again that the Congress has authorized the action which is proposed in the bill. Acting on the authorization by Congress, the U.S. Government has entered into an agreement which very definitely is favorable to us in that Britain will buy many more times as much from us than we propose to buy from them. Since our Government, acting on the authorization by Congress, has in good faith entered into an agreement; to abrogate that agreement by an amendment here today would leave us in a very bad light, worldwide. I cannot believe the Congress wants to put our Government in the position of having to repudiate its own agreement. It would not place the U.S. Government in good light in its negotiations on many important subjects throughout the world at this critical time.

Mr. LAIRD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will not take the full 5 minutes, but in view of the discussion which has just gone on, I would like to say to the gentleman from New York that I was glad to oppose the amendment to delete the EA–6A from the bill.

Of course the F–111 aircraft is involved in this matter. But there is no contract on the part of the British Government to buy the TFX. There have been no contracts placed in the United States for the TFX on behalf of the British Government.

The gentleman from Wisconsin has merely asked that of the minesweepers that are going to be built this next year, seven of the 16 be built in the United States—only seven of the 16, in order to maintain some capability here in America to build this new type minesweeper.

Mr. Chairman, I would like to just point out that as far as the cost differential is concerned, this is tied in to a great extent to labor wage rate contracts in the shipbuilding industry.

If you wish to go to the country that can build the ships the cheapest, then you follow the argument of the gentleman from New York. The ships can probably be built much cheaper in Japan. As the gentleman from Virginia has said, and the gentleman from Maryland said earlier, there is a 40-percent differential as far as Great Britain is concerned. The amendment asks only that seven of the 16 minesweepers be built in the United States next year. This is all tied in with the TFX procurement. There has been no contract from Great Britain on this. There cannot be a real and final commitment made on the part of the U.S. Government until the Congress appropriates the money, and there has been

no appropriation for these seven ships that are being authorized in this bill.

Mr. Chairman, I ask that this amendment be agreed to.

I yield back the balance of my time.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, unlike the States of Maryland, Texas, and New York, the State of Iowa has not a single shipyard.

I want to see Americans employed in shipyards as well as elsewhere in our industries because the American labor has been and always will be the best market for our American farm products. I want to see American labor employed. I know of no reason why—and at this time of all times, when the British are running supplies into Haiphong to help kill Americans in Vietnam—I see no reason why we should go to Britain for a dime's worth of anything. You tell me why. The chairman of the committee talks about billions of dollars of military equipment that we are selling around the world these days.

Mr. MAHON. We are selling to Britain, if the gentleman will yield.

Mr. GROSS. What is that?

Mr. MAHON. We are selling billions of dollars of military equipment to Britain.

Mr. GROSS. And do you have the slightest knowledge as to what they owe us? They are our biggest debtors from World War I and right down to the present day. They owe us more billions of dollars than any other country in the world. There is not the slightest assurance that they will pay us for anything that they get. These leeches have been on our back for years. Let us stop this business of going to Britain for ships. If you want cheap ships, as one of my colleagues said just a moment ago, go to Japan.

Mr. MAHON. The Congress has authorized these ships and the law provides a means for the type of action proposed in this bill.

Mr. GROSS. The Congress does the authorizing, not the Secretary of Defense. It is certainly right that the Congress do the authorizing.

Mr. MAHON. That is right and the Congress has approved the budget program for these ships and has not restricted the program.

Mr. GROSS. Let us just make the start here today to cut down on those who demonstrate every day that they are not in our camp. Instead of giving us help in Vietnam the British are helping to supply the enemy. If the British are friends, who needs enemies?

Mr. JOELSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the gentleman from Iowa what is the basis of his statement that British ships are supplying the sinews of war to Hanoi, because it is my understanding that that is not the case.

Mr. GROSS. Does not the gentleman know that British ships are running into Haiphong?

Mr. JOELSON. I do not know anything of that sort. I would like to know if the gentleman has his own State Department—because I have been told by our State Department that that is not happening.

Mr. GROSS. Of course, that is happening.

Mr. JOELSON. That is not happening and I would like to ask the gentleman what he bases his statement on.

Mr. GROSS. I base my statement on the fact that they are running ships into Haiphong.

Mr. JOELSON. The gentleman has never taken a trip out of this country so I assume that he has not seen it. I would like to know what information he bases his statement on.

Mr. CHAMBERLAIN. Mr. Chairman, will the gentleman yield?

Mr. JOELSON. I would like an answer from the gentleman who made the statement.

Mr. GROSS. Do I have to take a trip to Vietnam to read a newspaper or to read the CONGRESSIONAL RECORD? The gentleman from Michigan will give you the figures.

Mr. JOELSON. I would like to know the newspaper that made that statement.

Mr. CHAMBERLAIN. I will tell you where it comes from.

Mr. Chairman, will the gentleman yield?

Mr. JOELSON. Mr. Chairman, I yield no further and yield back the balance of my time.

Mr. CHAMBERLAIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, since the gentleman raised his question, I have taken this time to set the record straight. Just a few days ago I stood in this very spot and reported to the Members of the House here that during the month of May there were nine free world ships that carried cargo to North Vietnam, seven of which fly the British flag. One was from Malta and one was from Cyprus.

Now last Thursday, if the gentleman will take the trouble to look in the RECORD——

Mr. JOELSON. Mr. Chairman, will the gentleman yield?

Mr. CHAMBERLAIN. The gentleman declined to yield to me and I have 5 minutes and I ask for the courtesy of being able to respond to the question the gentleman has raised.

As I was saying, if the gentleman will look at the CONGRESSIONAL RECORD of Thursday last, he will see that I have included there a list of 829 ships that have sailed to the port of Haiphong during the last 2 years.

Of these 829 vessels, 210 were flying free world flags. More than 25 percent of all cargoes from any source whatsoever that have gone to North Vietnam during the last 2 years has been carried on free-world-flag ships. What more does the gentleman want? If you will see me later, I will give you the name of every ship, its tonnage, the date it was in the harbor, and everything else.

The gentleman should know this. Of the nine ships that went to North Vietnam during the month of May, one of the ships—and I cannot tell because this is classified—was carrying strategic cargo to the enemy. Now, you will have to use your own imagination as to what this strategic cargo was, but if you will see me after the debate is concluded, I will tell you.

If the gentleman wants me to yield, I am now happy to yield.

Mr. JOELSON. Yes, I would ask you the same question that I asked the gentleman from Iowa. What is the source of your statement that British ships are supplying North Vietnam?

Mr. CHAMBERLAIN. I got this information from the Department of Defense, and I will take you to the safe in my office and show you the whole list. What more do you want?

Mr. JOELSON. All I can say is that I do not resort to confidential information. I have been informed publicly, as have many other Members of Congress, in White House briefings that free world ships—British ships—are not supplying North Vietnam with supplies.

Mr. CHAMBERLAIN. I will take the gentleman to my office with me right now and I will show him this material. It is classified "Secret." I cannot divulge it, but I will give you the name of every one of the 829 ships that has been to North Vietnam for the last 2 years.

Mr. JOELSON. Well, if it is classified "Secret," I am surprised that the gentleman would disclose it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. BYRNES].

The question was taken; and on a division (demanded by Mr. BYRNES of Wisconsin) there were—ayes 119, noes 61.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 637. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount equal to as much as the entire cost of such project.

AMENDMENT OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: On page 43, line 8, insert a new section 638 as follows:

"SEC. 638. None of the funds provided herein shall be used to pay for the travel and subsistence of civilians not in the employ or service of the United States Government attending national and international rifle matches."

Renumber present section 638 and subsequent sections accordingly.

Mr. VANIK. Mr. Chairman, I submit herewith an amendment which would strike out the appropriations for the travel and subsistence for the civilian components of rifle teams attending national and international rifle competitions. My amendment is directed toward present practices under the law which permits the participants to have a "rifle match junket" at the expense of the taxpayer.

Every year the National Rifle Association utilizes Camp Perry in Ohio during the months of August and September involving the attendance of approximately 8,000 participants who travel to and from Camp Perry at public expense and who are billeted on the campgrounds.

Camp Perry is owned by the State of Ohio but it is leased and used by the Department of Ohio National Guard, Army Reserve summer training, and the national rifle and pistol matches conducted by the Department of the Army and supported by the civilian marksmanship program.

Earlier this year I requested the Department of Defense to make available the facilities of Camp Perry as a summer camp for 5,000 disadvantaged young people of central Cleveland areas. It seemed to me that such a program would be very helpful in removing these young people from difficult and trying environmental conditions in their home communities for at least a short period to time. The purpose of my suggested program was to provide a camp facility for thousands of young people who had never been exposed to the experience of camp life.

Mr. Edward J. Sheridan, Deputy Assistant Secretary of Defense, advised me on May 19, 1967, that although Camp Perry is owned by the State of Ohio, it is used by the Department of the Army for the national rifle and pistol matches during the months of August and September.

From the standpoint of priorities, it seems to me that the facilities of Camp Perry would be more prudently used as a summer camp for needy young people than as a sharpshooters assembly ground.

It has just come to my attention that, in addition to providing for the travel and subsistence of 8,000 participants of the national rifle matches at Camp Perry, the Department of Defense spends an additional $2.7 million to provide personnel and facilities to support the 8,000 trainees during the training period. In addition, 3,000 active members of the U.S. Army are assigned to Camp Perry to take care of other needs of the training group during this training period.

While 3,000 Army personnel are doing training and porter work for the civilian participants at the Camp Perry training program, young men, 29,000 in the month of August alone, are being drafted to do military work in their stead.

It seems ridiculous for the taxpayers of America to pay for the travel, billeting, and ammunition expended by private citizens involved in these rifle matches. The National Rifle Association justifies the utilization of public moneys on the basis of its service as a community stabilizer. It seems to me that we might do an infinitely better job of stabilizing communities of discontent through the establishment of a summer camp program for the young and the development of training and educational programs for the other groups.

I therefore urge that this Congress halt its practice of providing a Government-subsidized junket to Camp Perry and the adjacent resort areas for the sole benefit of private citizens who have no official connection or obligation to the U.S. Army or its objectives.

Mr. SIKES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, one of the foremost objectives of the training program of the armed services is the achievement of high standards in marksmanship. This is a necessity for an effective infantryman.

The program against which the gentleman's amendment is directed is not directly a part of the military training program, but many military personnel participate in these matches. It helps to maintain a high espirit de corps among members of the Armed Forces to realize that some of their personnel are among the leaders in marksmanship in this country. The matches have a very fine effect in encouraging young people to engage in healthy, useful training instead of frequenting street corners.

Now, let us look a little further. These matches have been going on for many years. The best of our marksmen, following these matches, compete internationally. Because of these matches and the skills they develop, our marksmen, including a very substantial number from the armed services, have been able to outshoot marksmen from any other country and to win international matches.

That, to me, is a very important thing. The fact that American marksmen are still considered the best in the world is, to me, worth many times the money carried in this bill.

We would destroy this opportunity if the amendment were adopted, and we would be striking a serious blow at the entire military marksmanship program.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Is it not also true that the very existence of Camp Perry is an incentive for young people to learn how to fire a rifle and to fire it well? There may be 2,000 people who go to Camp Perry, but for every 2,000 who go, there must be any number of people trying, and in trying they acquire some skill with the rifle they otherwise would not have.

Mr. SIKES. The gentleman is correct. They are encouraged and stimulated by the example of Camp Perry.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VANIK].

The amendment was rejected.

Mr. PRICE of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wish to commend the Appropriations Committee for its forthright stand on nuclear propulsion for naval warships. My responsibilities on the Joint Committee on Atomic Energy and the Armed Services Committee have given me an excellent opportunity to learn what new dimensions nuclear propulsion gives to military warships. I believe that anyone who takes the time to study the facts will conclude that nuclear propulsion is indispensable to any Navy which is to be effective.

Before I comment on some specifics on nuclear power in the bill before us, I want to express my satisfaction and state my agreement with the beautifully worded and succinct statement on "Studies and Analyses" in the Appropriations Committee report on page 5. I can testify to the truth of the following excerpt from this section in the committee's report:

> There is some feeling that studies are resorted to as devices to procrastinate expensively, thus deferring decision until the point in time may be reached when a decision is unnecessary because the original need has disappeared.

I strongly support the committee's statement that we must curtail the proliferation of studies since so many studies are used as excuses for not taking responsible action.

I note with pleasure the House Appropriations Committee action discussed on page 47 of the committee report No. 349 to fund construction of one nuclear-powered guided missile frigate—DLGN—in fiscal year 1968 and to fund advance procurement of another nuclear frigate in fiscal year 1968. The report states:

> The budget estimate proposes the amount of $166,600,000 for the construction of two conventionally-powered guided missile destroyers (DDG). These funds were denied in the authorization legislation and two nuclear-powered guided missile destroyer leaders (DLGN) were substituted. The Committee recommends the appropriation of funds for the construction of one additional DLGN and advance procurement of another DLGN at a total cost of $134,800,000. The bill has been reduced by the net difference of $31,800,000. The Committee will expect the Department to proceed with this construction and advance procurement and to request funds for the construction of the remaining authorized DLGN in the fiscal year 1969 shipbuilding program.

Further, Public Law 90–22, the fiscal year 1968 defense authorization law which the President signed on June 5, 1967, requires that:

> The contracts for the construction of the two nuclear powered guided-missile frigates shall be entered into as soon as practicable unless the President fully advises the Congress that their construction is not in the national interest.

With these clear statements of the will of Congress, it should be apparent to the Secretary of Defense that it is the mandate of Congress that the Navy have more nuclear-powered major fleet escorts for its nuclear aircraft carriers.

Further, it should be clear to the Secretary of Defense that work on these nuclear-powered warships should proceed immediately, using the $20 million appropriated by Congress last year in Public Law 89–687 for advance procurement for a fiscal year 1968 DLGN. The Defense Department has procrastinated long enough making ineffectual cost "studies" as an excuse for not proceeding with a course of action that is obvious to all here in Congress; an area which has been examined in depth and is supported by the five cognizant committees of Congress: The Joint Committee on Atomic Energy, the House and Senate Armed Services Committees, and the House and Senate Appropriations Committees have all concluded it is necessary and desirable to build more nuclear-powered escorts for our nuclear aircraft carriers, ships that will be in our fleet into the 21st century. The Joint Committee on Atomic Energy, the House Armed Services Committee, and the House Appropriations Committee have further concluded it

would be wasteful to continue building nonnuclear escorts for our nuclear aircraft carriers. It is even worse to continue to delay building nuclear escorts while the question is "studied" more; while our Navy is becoming obsolete before our very eyes.

At the conclusion of my remarks I would like to include a brief statement made by Senator PASTORE, chairman of the Joint Committee on Atomic Energy, and one made by the gentleman from California, Congressman CHET HOLIFIELD, vice chairman of the committee, last Saturday on the lesson we should learn from the latest crisis in the Middle East. I believe both of these gentlemen make some very important points. It is my pleasure to note that the bill before us reflects this lesson.

I want to congratulate the distinguished members of the House Appropriations Committee and especially the distinguished chairman for their clear stand on this issue.

The statements referred to follow:

SENATOR PASTORE STRONGLY URGES NAVY TO "GO NUCLEAR"—SAYS MIDDLE EAST CRISIS SHOWS NAVY'S ACHILLES HEEL

The recent crisis in the Middle East, with the resulting interruption of oil supplies and the closing of the Suez Canal, clearly illustrates the importance of using nuclear propulsion for all capital warships of the United States Navy, it was pointed out today by Senator John O. Pastore, Chairman of the Joint Committee on Atomic Energy.

Senator Pastore, who is noted for his strong support of a nuclear Navy, stressed the importance of supporting the recent Congressional action of changing two conventionally powered major fleet escort ships requested by the Department of Defense to nuclear powered ships. Senator Pastore said:

"The recent announcement by the Secretary of Defense for an emergency plan to provide petroleum products for our military forces in Southeast Asia, which will require doubling the number of oil tankers for the long trip around the Cape of Good Hope, reemphasizes the critical importance of reducing the Navy's dependence on fuel oil. It is with no intention of criticizing past decisions by the Secretary, but rather with the hope that we may move forward in the best interests of the national defense of the United States, that I recommend the Defense Department join with the Congress to insure that all future capital vessels of the United States Navy will be nuclear propelled."

Senator Pastore continued:

"With this in mind, the Defense Department should carry out the Congressional decision that the two major fleet escorts the Department of Defense needs and asked for this year will be nuclear powered."

Senator Pastore emphasized that he and other members of the Joint Committee on Atomic Energy have repeatedly recommended nuclear power for all capital warships.

"The evidence based on detailed studies and analyses made by the Joint Committee overwhelmingly supports the need for a nuclear Navy—Let us eliminate this Achilles' heel now."

MIDDLE EAST CRISIS EMPHASIZES NEED FOR NUCLEAR SURFACE NAVY

(Statement by Congressman CHET HOLIFIELD, vice chairman, Joint Committee on Atomic Energy)

We all know about the crisis in the Middle East and of the efforts by our Government and others to permanently end the fighting. I wonder how many of us have thought about some of the side aspects of this crisis.

Two specific events come to my mind. One is the closing of the Suez Canal, and the second is the stoppage of oil from the Middle East to the United States and other Western nations.

While only a small fraction of our domestic oil consumption comes from the Middle East, news reports indicate that more than half the petroleum products used in Vietnam have been coming from Persian Gulf sources. While the United States has sufficient petroleum resources to supply the needs of our armed forces, we are now faced with having to transport fuel from the United States to Southeast Asia without use of the Suez Canal as a shortcut. Diverting tankers around the Cape of Good Hope can add several weeks to a tanker's voyage.

On June 7 the Secretary of Defense announced he was invoking an emergency plan to provide petroleum products for our forces in Southeast Asia without being dependent on the Middle East. This involves doubling the size of the fleet of tankers which have been used to supply our Southeast Asian forces.

Doesn't this sound like a good case for our Navy having nuclear power in our major surface warships; our aircraft carriers and their escorts?

This year again Congress has had to take the lead in trying to modernize our Navy. Congress changed two non-nuclear major fleet escorts (DDG's) requested by the Secretary of Defense to nuclear powered frigates (DLGN's).

The Suez crisis in 1956 should have shown us the danger to our vital military supply lines overseas. We should have seen the "handwriting on the wall." But apparently we didn't learn from this experience. That "writing" clearly showed that the United States should go to nuclear propulsion for its major surface ships. Yet that "writing" has to this very day been continuously ignored by the Department of Defense by asking for conventional escorts rather than nuclear escorts.

This week, with the closing of the Suez canal, the same "writing" has again appeared on the wall. How many more times will the Department of Defense permit this warning to remain unheeded? Will the Secretary of Defense now carry out the clear mandate of Congress, or will it take a national catastrophe—when it is too late—for him to change his mind?

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 641. This Act may be cited as the "Department of Defense Appropriation Act, 1968".

AMENDMENT OFFERED BY MR. BROWN OF CALIFORNIA

Mr. BROWN of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of California: On page 44, immediately following line 23, insert a new section as follows:

"SEC. 642. Money appropriated in this Act shall be available for expenditure in the fiscal year ending June 30, 1968, only to the extent that expenditure thereof shall not result in total aggregate net expenditures of all agencies provided for herein beyond 95 per centum of the total aggregate net expenditures estimated therefor in the budget for 1968 (H. Doc. 15)."

Mr. BROWN of California. Mr. Chairman, I have some trepidation about usurping the role of one of the more distinguished members of the minority in offering this amendment, but I do so because I think it is time we recognized that our responsibilities for economy in Government extend not only to the civilian agencies but to the heretofore sacred cow of the Defense Department. I would like to pay tribute to the distinguished chairman of the Committee on Appropriations for the work he has done here this afternoon. I very much regret that I did not observe or was not present for all of the debate here, because I am sure that there would have been pointed out the epic-making nature of this legislation.

Mr. Chairman, we have before us an appropriation bill which is the largest appropriation bill in the history of this country except for possibly one year during World War II. The chairman of this committee has lucidly presented the arguments for the expenditure of a sum of money equal to the total revenues of the entire United States from the date of its inception up to approximately World War II. The amount of money represented by this bill is equivalent to the total gross national product of approximately one-third of the human race.

I think we have failed to recognize the significance and the importance of this and the tremendous job which the chairman of the committee has done in presenting all of the arguments in favor of this expenditure that we have here. It is staggering to the imagination to realize that this Congress for 150 years struggled over the appropriation in total of an amount of money that we have disposed of here this afternoon in 3 or 4 hours. It makes you wonder whether these early Congresses were actually living up to their responsibilities.

What I have done in this amendment I think all of you are quite aware of. I put a restriction on the expenditure of this money to 95 percent of the amount in the budget estimate. The committee has already reduced the amount of the bill by approximately 2 percent, so what we are actually talking about here is a curtailment of about an additional 3 percent of the deferral of the expenditure of this money.

You may ask as to where this can be cut.

Mr. Chairman, I have a number of suggestions which I would like to offer which I feel are valid.

Mr. Chairman, it is my opinion that beyond the shadow of a doubt, we could cut an additional $2 billion, which is approximately what we are talking about, off this bill in any number of different ways. One way I would suggest would be for example that we cease the bombing of North Vietnam.

Now, Mr. Chairman, I would not be at all surprised but what the Department of Defense will recommend this step be taken in the near future. But, nevertheless, I think it would be appropriate for the Congress to exercise its responsibility in dealing with this legislation in such a way as to put a little pressure upon the Department of Defense to take this step.

Further, Mr. Chairman, I would suggest that we could save, perhaps, one-half billion dollars by deferring the expenditure for the purpose of obtaining information, the expenditure which is contained in this bill, for the antiballistic

missile system, a system which all of us know from many talks on this floor, is merely going to involve this Nation in the expenditure of another $30 billion or $40 billion, with no net increase in the security of the country.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. Yes, I shall be happy to yield to the gentleman from Michigan.

Mr. GERALD R. FORD. I do not recall—and will the gentleman refresh my memory—how many times the gentleman has voted for the so-called Bow amendment, or an amendment comparable to that, this year or last year.

Mr. BROWN of California. Every time it has been offered to a Defense bill.

Mr. GERALD R. FORD. Mr. Chairman, if the gentleman will yield further, the gentleman has never voted for it as a reduction in expenditures for any civilian agency?

Mr. BROWN of California. Not to my knowledge.

May I suggest also another area which was hinted at by the distinguished gentleman from Iowa [Mr. GROSS], who pointed out the fact that we are spending quite a bit of money in military aid. The gentleman from Iowa pointed out the fact that most of this money is wasted. It is my opinion that we used up quite a bit of our Defense appropriation money in the weapons which we gave or sold to Lebanon, to Jordan, and to some of these other Arab countries in the last few weeks. I am not sure that this contributed to our security or to their security.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BROWN].

The amendment was rejected.

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10738) making appropriations for the Department of Defense for the fiscal year ending June 30, 1968, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

Mr. MAHON. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. BROWN of California. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BROWN of California. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BROWN of California moves to recommit the bill H.R. 10738 to the Committee on Appropriations with instruction to that committee to report it back forthwith with the following amendment: On page 44, immediately following line 23, insert a new section as follows:

"SEC. 642. Money appropriated in this Act shall be available for expenditure in the fiscal year ending June 30, 1968, only to the extent that expenditure thereof shall not result in total aggregate net expenditures of all agencies provided for herein beyond 95 per centum of the total aggregate net expenditures estimated therefor in the budget for 1968 (H. Doc. 15)."

Mr. MAHON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. BROWN of California. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. MAHON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 407, nays 1, not voting 25, as follows:

[Roll No. 135]

YEAS—407

Abbitt
Abernethy
Adair
Adams
Addabbo
Albert
Anderson, Ill.
Anderson, Tenn.
Andrews, Ala.
Andrews, N. Dak.
Annunzio
Ashbrook
Ashley
Ashmore
Aspinall
Baring
Barrett
Bates
Belcher
Bell
Bennett
Berry
Betts
Bevill
Biester
Bingham
Blackburn
Blanton
Blatnik
Boggs
Boland
Bolling
Bolton
Bow
Brademas
Brasco
Bray
Brinkley
Brock
Brooks
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burleson
Burton, Calif.
Burton, Utah
Bush
Button
Byrne, Pa.
Byrnes, Wis.
Cabell
Cahill
Carey
Carter
Casey
Cederberg
Celler
Chamberlain
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cohelan
Collier
Colmer
Conable
Conte
Corbett
Cowger
Cramer
Culver
Cunningham
Curtis
Daddario
Daniels
Davis, Ga.
Davis, Wis.
Dawson
de la Garza
Delaney
Dellenback
Denney
Dent
Derwinski
Devine
Dickinson
Diggs
Dole
Donohue
Dorn
Dowdy
Downing
Dulski
Duncan
Dwyer
Eckhardt
Edmondson
Edwards, Ala.
Edwards, Calif.
Edwards, La.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Everett
Evins, Tenn.
Fallon
Farbstein
Fascell
Feighan
Findley
Fino
Fisher
Flood
Flynt
Foley
Ford, Gerald R.
Ford, William D.
Fountain
Fraser
Frelinghuysen
Friedel
Fulton, Pa.
Fulton, Tenn.
Galifianakis
Gallagher
Gardner
Garmatz
Gathings
Gettys
Giaimo
Gibbons
Gilbert
Gonzalez
Goodell
Goodling
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gross
Grover
Gude
Gurney
Hagan
Haley
Hall
Halleck
Halpern
Hamilton
Hammer-schmidt
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Hardy
Harrison
Harsha
Harvey
Hathaway
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hicks
Holifield
Holland
Howard
Hull
Hungate
Hunt
Hutchinson
Ichord
Irwin
Jacobs
Jarman
Joelson
Johnson, Calif.
Johnson, Pa.
Jonas
Jones, Ala.
Jones, Mo.
Jones, N.C.
Karsten
Karth
Kastenmeier
Kazen
Kee
Keith
King, Calif.
King, N.Y.
Kirwan
Kleppe
Kluczynski
Kornegay
Kupferman
Kuykendall
Kyl
Kyros
Laird
Landrum
Langen
Latta
Leggett
Lennon
Lipscomb
Lloyd
Long, La.
Long, Md.
Lukens
McCarthy
McClory
McClure
McCulloch
McDade
McDonald, Mich.
McEwen
McFall
McMillan
Macdonald, Mass.
MacGregor
Machen
Madden
Mahon
Mailliard
Marsh
Martin
Mathias, Calif.
Mathias, Md.
Matsunaga
May
Mayne
Meeds
Meskill
Michel
Miller, Calif.
Miller, Ohio
Mills
Minish
Mink
Minshall
Mize
Monagan
Montgomery
Moore
Moorhead
Morgan
Morris, N. Mex.
Morse, Mass.
Morton
Mosher
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen
O'Neal, Ga.
O'Neill, Mass.
Ottinger
Passman
Patten
Pepper
Perkins
Pettis
Philbin
Pickle
Pike
Pirnie
Poage
Poff
Pollock
Pool
Price, Ill.
Price, Tex.
Pryor
Pucinski
Purcell
Quie
Quillen
Railsback
Randall
Rarick
Rees
Reid, Ill.
Reid, N.Y.
Reifel
Reinecke
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riegle
Rivers
Roberts
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Ronan
Rooney, Pa.
Rosenthal
Rostenkowski
Roth
Roudebush
Roush
Roybal
Rumsfeld
Ruppe
Ryan
St Germain
Sandman
Satterfield
Saylor
Schadeberg
Scherle
Scheuer
Schneebeli
Schweiker
Schwengel
Scott
Selden
Shipley
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Calif.
Smith, Iowa
Smith, Okla.
Snyder
Springer
Stafford
Staggers
Stanton
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stubblefield
Stuckey
Sullivan
Taft
Talcott
Taylor
Teague, Calif.
Teague, Tex.
Tenzer
Thompson, Ga.
Thomson, Wis.
Tiernan
Tuck
Tunney
Udall
Ullman
Utt
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waggonner
Waldie
Walker
Wampler
Watkins
Watson
Watts
Whalen
Whalley
White
Whitener
Whitten
Wiggins
Williams, Pa.
Wilson, Bob
Wilson, Charles H.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Zablocki
Zion
Zwach

NAYS—1

Brown, Calif.

NOT VOTING—25

Arends
Ayres
Battin
Conyers
Corman
Dingell
Dow
Fuqua
Gubser

Herlong	Resnick	Williams, Miss.
Horton	Rooney, N.Y.	Willis
Hosmer	St. Onge	Young
Kelly	Smith, N.Y.	Younger
Patman	Thompson, N.J.	
Pelly	Widnall	

So the bill was passed.

The Clerk announced the following pairs.

Mr. St. Onge with Mr. Hosmer.
Mr. Dingell with Mr. Horton.
Mr. Thompson of New Jersey with Mr. Widnall.
Mr. Dow with Mr. Gubser.
Mr. Williams of Mississippi with Mr. Ayres.
Mrs. Kelly with Mr. Battin.
Mr. Rooney of New York with Mr. Arends.
Mr. Fuqua with Mr. Younger.
Mr. Herlong with Mr. Pelly.
Mr. Patman with Mr. Smith of New York.
Mr. Corman with Mr. Willis.
Mr. Resnick with Mr. Conyers.

The result of the vote was announced as above recorded. A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the Department of Defense appropriation bill today may have permission to revise and extend their remarks in the body of the RECORD and include pertinent additional material.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, I also ask unanimous consent that all Members of the House may have 5 legislative days in which to revise and extend their remarks on the bill just passed and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADMINISTRATION BILL FOR ESTABLISHMENT OF A SYSTEM OF FEDERAL SAVINGS BANKS INTRODUCED BY BANKING AND CURRENCY CHAIRMAN WRIGHT PATMAN

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, President Johnson, in his Economic Report submitted to the Congress last January, recommended that Congress enact legislation providing for Federal charters for mutual savings banks, "to enlarge and strengthen our system of thrift institutions." In making this recommendation, the President referred to his previous request for such legislation contained in his 1966 Economic Report, but not acted upon by the 89th Congress. Yesterday I introduced this legislation for myself, the gentleman from New York [Mr. MULTER], the gentleman from Pennsylvania [Mr. BARRETT], the gentleman from Pennsylvania [Mr. MOORHEAD], the gentleman from Rhode Island [Mr. ST GERMAIN], the gentleman from Texas [Mr. GONZALEZ], the gentleman from New Jersey [Mr. MINISH], and the gentleman from New York [Mr. BINGHAM]. Hearings were held last year on similar bills, but no action was taken by the full committee. The present bill is very similar to the previous bills, but incorporates provisions reflecting the enactment of the Financial Institutions Supervisory Act of 1966.

Mr. Speaker, I insert at this point in the RECORD a section-by-section analysis of the administration's new bill to authorize the establishment of Federal savings banks, followed by the text of the proposed legislation:

SECTION-BY-SECTION ANALYSIS OF A BILL TO AUTHORIZE THE ESTABLISHMENT OF FEDERAL SAVINGS BANKS

Section 1. Short title. The unnumbered first section states the short title, "Federal Savings Bank Act."

TITLE I. FEDERAL SAVINGS BANKS

Chapter 1. General provisions

Section 11. Definitions and rules of construction. Section 11, the first section of title I, contains certain definitions and general rules.

The term "mutual thrift institution" would mean a Federal savings bank, a Federal savings and loan association, or a State-chartered mutual savings bank, mutual savings and loan association, mutual building and loan association, cooperative bank, or mutual homestead association.

In turn, "thrift institution" would mean a mutual thrift institution, a guaranty savings bank, a stock savings and loan association, or a stock building and loan association, and "financial institution" would mean a thrift institution, a commercial bank, or an insurance company. By a special definitional provision in this section, the term "financial institutions acting in a fiduciary capacity" as used in sections 53 and 54 would include a credit union, whether or not acting in a fiduciary capacity.

"State" would mean any State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, and any territory or possession of the United States.

The term "merger transaction" would mean any transaction between or among any two institutions, at least one of which is a Federal savings bank, which will result in a merger or consolidation or pursuant to which any of such institutions, otherwise than in the ordinary course of business, acquires any assets of, or assumes liability to pay any deposits made in or share accounts of, or similar liabilities of, another of such institutions.

As used in relation to a merger transaction, "resulting bank" or "resulting institution" would refer to a bank or other institution (whether or not newly chartered in connection with the transaction) which, after its consummation, and as a result thereof, carries on the business or any part thereof theretofore carried on by one or more parties to the transaction.

Section 12. Rules and regulations. Section 12 authorizes the Federal Home Loan Bank Board to make rules and regulations, including definitions of terms in title I.

Section 13. Examination. This section provides for general and special examinations by the Federal Home Loan Bank Board or Federal savings banks, and also provides that the Board may render to any bank or officer or director thereof such advice and comment as it may deem appropriate with respect to the bank's affairs.

Section 14. Reports. Section 14 provides that the Board may require periodic and other reports and information from Federal savings banks.

Section 15. Accounts and accounting. The Board would be authorized by section 15 to prescribe, by regulation or order, accounts and accounting systems and practices for Federal savings banks.

Section 16. Right to amend. The right to alter, amend, or repeal title I would be reserved by section 16.

Chapter 2. Establishment and voluntary liquidation

Section 21. Information to be stated in charter. This section makes provision for the contents of charters for Federal savings banks.

Section 22. Issuance of charter for new bank. A charter for a new Federal savings bank could be issued by the Board on the written application (in such form as the Board may prescribe) of not less than 5 applicants and upon the making of specified determinations by the Board, including a determination that there has been placed in trust or escrow for an initial reserve such amount, not less than $50,000, in cash or securities approved by the Board as the Board may require, in consideration of transferable certificates to be issued by the bank in such form, on such terms, and bearing such interest or other return as the Board may approve.

Section 23. Issuance of charter for a converted bank. Subsection (a) of this section would authorize the Board to issue a charter for a converted Federal savings bank on written application (in form prescribed by the Board) of the converting institution and determination by the Board among other things that (1) the converting institution is a mutual thrift institution and (2), if the converting institution is a Federal savings and loan association, the conversion has been favored by vote of two-thirds of the directors and two-thirds of the votes entitled to be cast by members.

To such extent as the Board might approve by order, and subject to such prohibitions, restrictions, and limitations as it might prescribe by regulation or written advice, a converted bank could retain and service the accounts, departments, and assets of the converting institution.

Subsection (b) of the section provides that the Board shall not issue a charter under subsection (a) unless it determines that, taking into consideration the quality of the converting institution's assets, its reserves and surplus, its expense ratios, and such other factors as the Board may deem appropriate, and making appropriate allowances for differences among types of financial institutions, the converting institution's history has been of a character "commensurate with the superior standards of performance expected of a Federal savings bank".

Section 24. Conversion of Federal savings banks into other institutions. Under subsection (a) of section 24 the Board, on written application of a Federal savings bank, could permit it to convert into any other type of mutual thrift institution, on a determination by the Board that (1) two-thirds of the directors have voted in favor of the proposed conversion, (2) the requirements of section 45 have been met, (3) the conversion will not be in contravention of State law, and (4) upon and after conversion the institution will be an insured institution of the Federal Savings Insurance Corporation (i.e., the Federal Savings and Loan Insurance Corporation, whose name would be changed to Federal Savings Insurance Corporation by section 201) or an insured bank of the Federal Deposit Insurance Corporation.

Subsection (b) of the section provides that no institution into which a Federal savings bank has been converted may, within ten years after the conversion, convert into any type of institution other than a mutual thrift institution which is either a bank insured by the Federal Deposit Insurance Corporation or an institution insured by the Federal Savings Insurance Corporation, re-

gardless of whether the later conversion took place directly or through any intermediate conversions.

Enforcement of this prohibition would be by the Federal Home Loan Bank Board in the case of an institution having a status as an insured institution of the Federal Savings Insurance Corporation and by the Board of Directors of the Federal Deposit Insurance Corporation in the case of an institution having a status as an insured bank of that Corporation. On a determination that a violation had taken place, the relevant board, by order issued not later than two years after any such violation, could terminate such status without notice, hearing, or other action. For the purposes of this subsection and subsection (a) of section 26, the terms "conversion" and "convert" would be defined as applying to mergers, consolidations, assumptions of liabilities, and reorganizations, as well as conversions.

Section 25. Voluntary liquidation. A Federal savings bank could not voluntarily go into liquidation or otherwise wind up its affairs except in accordance with an order of the Board issued under section 25. Upon application by such a bank, the Board could permit it to carry out a plan of voluntary liquidation upon a determination by the Board that (1) two-thirds of the bank's directors have voted in favor of the proposed plan, (2) the requirements of section 45 have been met, (3) there is no longer a need in the community for the bank, or there is not a reasonable expectation that its continued operation will be financially sound and successful, and (4) the plan is fair and equitable and in conformity with the requirements of section 26.

Section 26. Distribution of assets upon liquidation. Subsection (a) of section 26 provides that on liquidation of a Federal savings bank under section 25, or liquidation of any institution while subject to the prohibition in subsection (b) of section 24, the net assets after the satisfaction or provision for satisfaction, in accordance with such rules and regulations as the Board may prescribe, of all proper claims and demands against the institution, including those of depositors or shareholders, shall be distributed to the Federal Savings Insurance Corporation. In the case of institutions subject to subsection (b) of section 24, the claims of depositors or shareholders are to be limited to amounts that would have been withdrawable by them in the absence of any conversion (as defined in said subsection) while the institution was so subject.

The object of this provision is to deter conversions of Federal savings banks to nonmutual operation and to deter unneeded voluntary liquidation of Federal savings banks. Under section 24 Federal savings banks are prohibited from converting *directly at one step* into any other type of institution except a mutual thrift institution insured by the Federal Savings Insurance Corporation or the Federal Deposit Insurance Corporation. Section 26 is designed to deter, to the extent of its provisions, the conversion of a Federal savings bank *indirectly or by successive steps* into an institution other than such an insured mutual thrift institution.

Subsection (b) of section 26 provides that on liquidation of a Federal savings bank otherwise than pursuant to section 25 the net assets remaining after the satisfaction or provision for the satisfaction, in accordance with such rules and regulations as the Board may prescribe, of all proper claims and demands against the bank, including those of depositors, shall be distributed to the depositors in accordance with such rules and regulations as the Board may prescribe.

Section 27. Authority of Board. This section authorizes the Board to make rules and regulations for reorganization, liquidation, and dissolution, merger transactions, and conservatorships and receiverships, and to provide by regulation or otherwise for exercise during conservatorship or receivership of functions by depositors, directors, officers, or bodies which may select directors.

Chapter 3. Branching and merger

Section 31. Branches. Under section 31 a Federal savings bank could establish a branch or branches with the approval of the Board, upon a determination by the Board that (1) there is a reasonable expectation of the branch's financial success based on the need for such a facility in the locality, the bank's capitalization, financial history, and quality of management, and such other factors as the Board deems appropriate, (2) its operation may foster competition and will not cause undue injury to existing institutions (including commercial banks) that accept funds from savers on deposit or share account, and (3) if the bank were a State-chartered financial institution other than an insurance company it could establish the proposed branch or an office of an affiliated institution of the same type could be established in the same location.

The object of item (3) in the paragraph above is to limit the establishment of branches by Federal savings banks to States (defined in section 11) where financial institutions other than insurance companies may conduct multi-office operations either through branching or through affiliates. It is of course to be recognized that multi-office operation through affiliates is not branching, but the competitive effect on other financial institutions can be as great as if the multi-office operation were conducted by means of branching.

Section 31 also provides that, under such exceptions and conditions as the Board may prescribe, a converted Federal savings bank may retain any branch in operation immediately prior to the conversion and shall be deemed to have retained any right or privilege to establish or maintain a branch if such right or privilege was held by the converting institution immediately prior to conversion.

Finally, the section provides that subject to approval granted by the Board not later than the effective date of a merger transaction a resulting Federal savings bank may maintain as a branch the principal office or any branch operated by another institution which is a party to the transaction and shall be deemed to have acquired any right or privilege then held by such an institution to establish or maintain a branch. The Board could not grant such approval except on compliance with a requirement analogous to item (3) of the first sentence of this analysis of section 31 unless the Board, in granting the approval, determined that the merger transaction was advisable because of supervisory considerations. Examples of such situations could include those where one or more of the institutions was in a failing or declining condition, one or more of the institutions was not rendering adequate service in its territory, or one or more of the institutions had an unsafe or unsound management.

Section 32. Merger transactions. A Federal savings bank may carry out a merger transaction from which the resulting institution will be a mutual thrift institution, but only with the approval of the Board. The section provides that the Board shall not grant such approval unless it determines that—

(1) Every party to the transaction is a mutual thrift institution;

(2) In the case of every party which is a Federal savings bank, two-thirds of the directors have voted in favor of the transaction and the requirements of section 45 have been met;

(3) In the case of every party which is a Federal savings and loan association, two-thirds of the directors, and two-thirds of the votes entitled to be cast by members, have voted in favor of the transaction, at meetings duly called and held for that purpose within six months prior to the filing of the application;

(4) In the case of every party which is a State-chartered institution, the consummation of the transaction will not be in contravention of State law;

(5) There is a reasonable expectation that the resulting institution will be financially successful, based on its proposed capitalization, the financial history of each of the institutions involved, and such other factors as the Board may deem relevant;

(6) In the case of a merger, consolidation, or acquisition of assets in which the resulting institution is a Federal savings bank, its assets will be such that, with such exceptions as the Board may prescribe, it will be able to dispose of those not eligible for investment by Federal savings banks;

(7) The resulting institution will be an insured bank of the Federal Deposit Insurance Corporation or an insured institution of the Federal Savings Insurance Corporation;

(8) The proposed transaction is approved pursuant to section 410 of the National Housing Act, if applicable, and section 18(c) of the Federal Deposit Insurance Act, if applicable.

In connection with this section attention is called to section 202 of the draft bill, which lays down, in a new section 410 of the National Housing Act, ground rules for mergers and similar transactions involving institutions insured by the Federal Savings Insurance Corporation, which would include but would not be limited to Federal savings banks. Those rules would parallel the rules laid down for insured banks of the Federal Deposit Insurance Corporation by Public Law 89-356, commonly known as the Bank Merger Act of 1966, which made amendments to subsection (c) of section 18 of the Federal Deposit Insurance Act.

For a more detailed discussion of the proposed new section 410 of the National Housing Act, reference is made to the summary of section 202 of the present draft bill, beginning at page 8 of this analysis.

Chapter 4. Management and directors

Section 41. Board of directors. A Federal savings bank would have a board of directors of not less than seven nor more than twenty-five. The Board could prescribe regulations as to the management structure, and subject thereto the board of directors of a bank could by bylaws or otherwise delegate such functions and duties as it might deem appropriate.

Section 42. Initial directors. The initial directors of a new bank would be elected by the applicants. The initial directors of a converted bank would be the directors of the converting institution, except as the Board might otherwise provide, consistently with subsection (b) of section 44 where applicable.

Section 43. Election of directors by depositors. Except as provided in sections 42 and 44, directors would be elected by the depositors. The Federal Home Loan Bank Board could by regulation provide for the terms of office, the manner, time, place, and notice of election, the minimum amount (and a holding period or date of determination) of any deposit giving rise to voting rights, and the method by which the number of votes a depositor would be entitled to cast would be determined.

Section 44. Selection of directors of banks converted from State-chartered mutual savings banks. Section 44 applies to a State-chartered mutual savings bank which is in operation on the date of enactment of the title and later converts to a Federal savings bank, where the directors of the converting bank were, on the date of such enactment and thereafter, chosen otherwise than by depositor election. If such a converting bank files as part of or an amendment to its application for a Federal charter a description in such detail as the Board requires of the

method by which and terms for which its directors were chosen, and if the converted bank has not elected by vote of its directors to be subject to section 43, the method of selection and terms of office of the converted Federal savings bank would be in accordance with such description, with such changes, subject to the discretionary approval of the Federal Home Loan Bank Board, as might be made on application by the converted bank. It is to be noted that this provision would not authorize the Board to approve any such changes in the absence of such an application by the bank.

Section 45. Approval of proposed merger, conversion, or liquidation. Under subsection (a) of section 45, no Federal savings bank whose directors were elected by depositors could make application to the Federal Home Loan Bank for approval of a merger transaction, a conversion, or a liquidation pursuant to section 25 unless two-thirds of the votes entitled to be cast by depositors had been cast in favor of making the application at a meeting duly called and held for such purpose not more than six months before the making of the application. The Board would have regulatory authority with respect to such meetings as set forth in the section.

No Federal savings banks whose directors were not selected by depositors could make any such application unless two-thirds of the votes which would be entitled to be cast for the election of directors had been cast in favor of making the application.

The Board could except from any or all of the foregoing provisions of this section any case in which it determines that such exception should be made because of an emergency requiring expeditious action or because of supervisory considerations.

Section 46. Proxies. Any proxy by a depositor for the election of directors would be required to be revocable at any time. A proxy given for a proposal to be voted on under subsection (a) of section 45 would likewise be so revocable, would be required to expire in any event not more than six months after execution, and would be required to specify whether the holder shall vote in favor of or against the proposal. It is further provided that the Board shall prescribe regulations governing proxy voting and solicitation and requiring disclosure of financial interest, compensation and remuneration by the bank of persons who are officers and directors or proposed therefor, and such other matters as the Board may deem appropriate in the public interest and for the protection of investors.

In addition, it is provided that the Board shall by regulation provide procedures by which any depositor may at his own expense distribute proxy solicitation material to all other depositors, but these procedures are not to require disclosure by the bank or the identity of its depositors. It is further provided that the Board shall by order prohibit the distribution of material found by it to be irrelevant, untrue, misleading, or materially incomplete and may by order prohibit such distribution pending a hearing on such issues.

Section 47. General provisions relating to directors, officers, and other persons. Section 47 provides that except as provided in paragraph (2) of subsection (b) of the section no director of a Federal savings bank may be an officer or director of any financial institution other than such bank. Said paragraph (2) provides that a director of a converted bank who held office on the date of enactment of this title as a director of the converting institution, and whose service has been continuous, may continue to be a director of any financial institution of which he has continuously so been a director, unless the Board finds after opportunity for hearing that there exists an actual conflict of interest or the dual service is prohibited by or under some other provision of law.

At least one more than half the directors would be required to be persons residing not more than 150 miles from its principal office. No director could receive remuneration as such except reasonable fees for attendance at meetings of directors or for service as a member of a committee of directors, but this provision is not to prohibit compensation for services rendered to the bank in another capacity. The office of a director would become vacant when he had failed to attend regular meetings for a period of six months unless excused by resolution duly adopted by the directors prior to or during that period.

The section also contains stringent provisions against self-dealing by directors, officers, employees, and other persons connected with Federal savings banks. Additional provisions of this section would prohibit any bank, director, or officer from requiring (as a condition to any loan or other service by the bank) that the borrower or any other person undertake a contract of insurance or any other agreement or understanding as to the furnishing of other goods or service with any specific company, agency, or individual; would prohibit deposit of funds except with a depositary approved by vote of a majority of all the directors, exclusive of any who was an officer, partner, director, or trustee of the depositary; and would specifically provide that no Federal savings bank should pay to any director, officer, attorney, or employee a greater rate of return on the deposits of such director, officer, attorney, or employee than that paid to other holders of similar deposits with the bank in question.

Where the directors or officers of a bank knowingly violate or permit any of its directors, officers, employees, or agents to violate specified provisions of this section or regulations of the Board thereunder, or any of the provisions of specified sections of title 18 of the United States Code, every director and officer participating or assenting to such violation shall, the section provides, be held liable in his personal and individual capacity for all damages which the bank, its depositors, or any other person sustains in consequence of the violation.

Except on written consent of the Board, no person could serve as a director, officer, or employee of a Federal savings bank if he had been convicted of a criminal offense involving dishonesty or breach of trust, and for each willful violation the bank would be subject to a penalty of not over $100 for each day the prohibition was violated. Finally, no officer, director, or employee of any corporation or unincorporated association, no partner or employee of any partnership, and no individual, primarily engaged in the issue, flotation, underwriting, public sale, or distribution at wholesale or retail or through syndicate participation, of stocks, bonds, or similar securities could serve at the same time as an officer, director, or employee of such a bank except in limited classes of cases in which the Board might allow such services by general regulation when in the Board's judgment it would not unduly influence the investment policies of the bank or the advice given by it to its customers regarding investments.

Chapter 5. Sources of funds

Section 51. Reserves. A Federal savings bank for which a charter is issued under section 22 could not commence operations until the amount required by that section had been paid to the bank for an initial reserve, and such reserve could be reduced only by the amount of losses or by retirement of the certificates referred to in that section. The bank would be required or permitted to have such other reserves, including valuation reserves, as the Board might prescribe or authorize.

Section 52. Borrowings. To such extent as the Board might authorize by regulation or advice in writing, a bank could borrow and give security and issue notes, bonds, debentures, or other obligations or other securities, except capital stock.

Section 53. Savings deposits. A bank could accept savings deposits except from foreign governments and official institutions thereof and except from private business corporations for profit other than financial institutions acting in a fiduciary capacity. It could issue passbooks or other evidences of its obligation to repay such deposits.

Under subsection (b) of this section, a bank could classify its savings depositors according to specified criteria and agree in advance to pay an additional rate of interest based on such classification. However, it would be required to regulate such interest so that each depositor would receive the same rate as all others of his class.

Further provisions of this section would authorize a bank to refuse sums offered for deposit and to fix a maximum amount for savings deposits and repay, on a uniform nondiscriminatory basis, those exceeding the maximum. The bank could require up to 90 days' notice before withdrawal from such deposits, notifying the Board immediately in writing, and the Board, by a finding which must be entered on its records, could suspend or limit withdrawals of savings deposits from any Federal savings bank if it found that unusual and extraordinary circumstances so required.

Interest on savings deposits could be paid only from net earnings and undivided profits, and the Board could provide by regulation for the time or rate of accrual of unrealized earnings.

Section 54. Time deposits. Subject to the same exceptions as in the case of savings deposits, a Federal savings bank could accept deposits for fixed periods not less than 91 days and could issue nonnegotiable interest-bearing time certificates of deposit or other evidence of its obligation to pay such time deposits.

Section 55. Authority of Board. The exercise of authority under sections 53 and 54 would be subject to rules and regulations of the Board, but it is provided that nothing in this section shall confer on the Board any authority as to interest rates other than the additional rate referred to in section 53(b).

Chapter 6. Investments

Section 61. Definitions and general provisions. Section 61 contains definitions and general provisions for the purpose of the investment provisions of the bill.

Among other things, "general obligation" would mean an obligation supported by an unqualified promise or pledging or commitment of faith or credit, made by an entity referred to in section 62(1) or 63(a) or a governmental entity possessing general powers of taxation including property taxation, for the payment, directly or indirectly, of an amount which, together with any other funds available for the purpose, will suffice to discharge the obligation according to its terms.

The term "political subdivision of a State" would include any county, municipality, or taxing or other district of a State, and any public instrumentality, public authority, commission, or other public body of any State or States; "eligible leasehold estate" would mean a leasehold estate meeting such requirements as the Board might prescribe by regulation; and "conventional loan" would mean a loan (other than as referred to in section 70) secured by a first lien on a fee simple or eligible leasehold estate in improved real property.

Section 61 also provides that the Board may authorize any acquisition or retention of assets by a Federal savings bank (including, without limitation, stock in service corporations) on a determination that such action is necessary or advisable for a reason

or reasons other than investment, and may exempt or except such acquisition, retention, or assets from any provision of the title.

The same section also provides authority and limitations for acquisition (as distinguished from origination) of loans and investments, and for acquisition by origination or otherwise of participating or other interests in loans and investments. Any such interest must be at least equal in rank to any other interest not held by the United States or an agency thereof and must be superior in rank to any other interest not so held and not held by a financial institution of a holder approved by the Board. It also provides authority for the making of loans secured by an obligation or security in which the bank might lawfully invest, but such a loan may not exceed such percentage of the value of the obligation or security, nor be contrary to such limitations and requirements, as the Board may prescribe by regulation.

Section 62. Investments eligible for unrestricted investment. Section 62 provides that a Federal savings bank may invest in (1) general obligations of, obligations fully guaranteed as to principal and any interest by, or other obligations, participations, or other instruments of or issued by the United States, any State, one or more Federal Home Loan Banks, banks for cooperatives (or the Central Bank for Cooperatives), Federal Land Banks, or Federal Intermediate Credit Banks, the Federal National Mortgage Association, the Tennessee Valley Authority, the International Bank for Reconstruction and Development, the Inter-American Development Bank, or the Asian Development Bank, (2) bankers' acceptances eligible for purchase by Federal Reserve Banks, or (3) stock of a Federal Home Loan Bank.

Section 63. Canadian obligations. Section 63 provides in subsection (a) that, subject to the limitations in subsection (b), a Federal savings bank may invest in general obligations of, or obligations fully guaranteed as to principal and any interest by, Canada or any province thereof. Subsection (b) provides that investments in obligations under this section or investments in Canadian obligations under section 64(2) may be made only where the obligation is payable in United States funds and where, on the making of the investment, not more than 2% of the bank's assets will be invested in Canadian obligations and, if the investment is in an obligation of a province, not more than one percent of its assets will be invested in obligations of that province. "Canadian obligation" is defined as meaning the above mentioned obligations and obligations of Canada or a province thereof referred to in section 64(2).

Section 64. Certain other investments. Subject to a limitation of 2% of the bank's assets invested in securities and obligations of one issuer, and to such further limitations as to amount and such requirements as to investment merit and marketability as the Board may prescribe by regulation, a bank may invest in (1) general obligations of a political subdivision of a State, (2) revenue or other special obligations of Canada or a province thereof or of a State or political subdivision thereof, (3) obligations of securities (other than equity securities) issued by a corporation organized under the laws of the United States or a State, (4) obligations of a trustee or escrow agent under section 22(5) or certificates issued thereunder, and subordinated debentures of a mutual thrift institution insured by the Federal Deposit Insurance Corporation or the Federal Savings Insurance Corporation (the name to which the Federal Savings and Loan Insurance Corporation would be changed by section 201), or (5) equity securities issued by any corporation organized under the laws of the United States or of a State. This authority is subject, in the case of such equity securities, to a further requirement that at the time of the investment the reserves and undivided profits of the bank equal at least 5% of its assets and that on the making of the investment the aggregate amount of all equity securities then so held by the bank not exceed 50% of its reserves and undivided profits and the quantity of equity securities of the same class and issuer held by the bank not exceed 5% of the total outstanding. For the purposes of this section the Board could by regulation define "corporation" to include any form of business organization.

Section 65. Real estate loans. Conventional loans could be made, subject to such restrictions and requirements as the Board might by regulation prescribe as to appraisal and valuation, maturity (not over 30 years in the case of loans on one- to four-family residences), amortization, terms and conditions, and lending plans and practices. No such loan could result in an aggregate indebtedness of the same borrower exceeding 2% of the bank's assets or $35,000, whichever was greater. Also, no such loan secured by a first lien on a fee-simple estate in a one- to four-family residence could exceed 80%, or in the case of any other real property 75%, of the value of the property except under such conditions and subject to such limitations as the Board might prescribe by regulation. Further, no loan secured by a first lien on a leasehold estate could be made except in accordance with such further requirements and restrictions as the Board might so prescribe.

Loans for the repair, alteration, or improvement of any real property could be made under such prohibitions, limitations, and conditions as the Board might prescribe by regulation. Loans not otherwise authorized under the title but secured by a first lien on a fee-simple or eligible leasehold estate in unimproved property could be made, provided the loan was made in order to finance the development of land to provide building sites or for other purposes approved by the Board by regulation as in the public interest and provided the loan conformed to regulations limiting the exercise of such power and containing requirements as to repayment, maturities, ratios of loan to value, maximum aggregate amounts, and maximum loans to one borrower or secured by one lien which were prescribed by the Board with a view to avoiding undue risks to such banks and minimizing inflationary pressures on land in urban and urbanizing areas.

The section contains a provision that a bank investing in a loan where the property securing the loan is a one- to four-family residence more than 100 miles and in a different State from the principal office of the bank must retain for such loan a Federal Housing Administration-approved mortgagee resident in such other State to act as independent loan servicing contractor and to perform loan servicing functions and such other related services as were required by the Board.

Section 66. Loans upon the security of deposits or share accounts. A Federal savings bank could make any loan secured by a deposit in itself or, to such extent as the Board might permit by regulation or advice in writing, secured by a deposit or share account in another thrift institution or a deposit in a commercial bank.

Section 67. Loans secured by life insurance policies. A Federal savings bank could make a loan secured by a life insurance policy, not exceeding the cash surrender value.

Section 68. Unsecured loans. Unsecured loans not otherwise authorized under the title could be made, but only to such extent as the Board might permit by regulation, and then not if the loan would increase the outstanding principal of such loans to any principal obligor, as defined by the Board, to more than $5,000. No loan could be so made if any obligor was a private business corporation for profit.

Section 69. Educational loans. Subject to such prohibitions, limitations, and conditions as the Board might prescribe by regulation, a Federal savings bank could invest in loans, obligations, and advances of credit made for the payment of expenses of college or university education, up to a limit of 5% of the bank's assets.

Section 70. Guaranteed or insured loans. A Federal savings bank could, unless otherwise provided by regulations of the Board, make any loan the repayment of which was wholly or partially guaranteed or insured by the United States, a State, or an agency of either, or as to which the bank had the benefit of such insurance or guaranty or of a commitment or agreement therefor.

Chapter 7. Miscellaneous corporate powers and duties

Section 71. General powers. Section 71 provides that a Federal savings bank shall be a corporation organized and existing under the laws of the United States and set forth miscellaneous corporate powers, which are to be subject to such restrictions as may be imposed under the title or other provisions of law or by the Board. It also provides that such a bank shall have power to do all things reasonably incident to the exercise of such powers. The specified powers would include the power to sell mortgages and interests therein, and to perform loan servicing functions and related services for others in connection with such sales, provided the sales are incidental to the investment and management of the funds of the bank.

Section 72. Service as depositary and fiscal agent of the United States. Section 72 provides that when so designated by the Secretary of the Treasury a Federal savings bank shall be a depositary of public money, except receipts from customs, under such regulations as he may prescribe, and may be employed as a fiscal agent of the Government, and shall perform all such reasonable duties as such depositary and agent as may be required of it.

Section 73. Federal home loan bank membership. On issuance of its charter, a Federal savings bank would automatically become a member of the Federal Home Loan Bank of the district of its principal office, or if convenience required and the Board approved, of an adjoining district. It is provided that such banks shall qualify for such membership in the manner provided in the Federal Home Loan Bank Act for other members.

Section 74. Change of location of offices. A Federal savings bank could not change the location of its principal office or any branch except with the approval of the Board.

Section 75. Liquidity requirements. A Federal savings bank would be required to maintain liquid assets consisting of cash and obligations of the United States in such amount as, in the Board's opinion, was appropriate to assure the soundness of such banks. Such amount could not, however, be less than 4% nor more than 10% of the bank's obligation on deposits and borrowings, and the Board could specify the proportion of cash and the maturity and type of eligible obligations. The Board could classify such banks according to type, size, location, withdrawal rate, or such other basis or bases as it might deem reasonably necessary or appropriate for effectuating the purposes of the section.

In addition, the Board could require additional liquidity if in its opinion the composition and quality of assets, the composition of deposits and liabilities, or the ratio of reserves and surplus to deposits required further limitation of risk to protect the safety and soundness of a bank or banks. The total of the general liquidity requirement and of this special liquidity requirement could not exceed 15% of the obligation of the bank on deposits and borrowings.

The general liquidity requirement would be computed on the basis of average daily net amounts covering periods established by

the Board, and the special liquidity requirement would be computed as the Board might prescribe. Penalties for deficiencies in either requirement are provided for. The Board would be authorized to permit a bank to reduce its liquidity if the Board deemed it advisable to enable the bank to meet requests for withdrawal, and would be authorized to suspend any part or all of the requirements in time of national emergency or unusual economic stress, but not beyond the duration of such emergency or stress.

Chapter 8. Taxation

Section 81. State taxation. Section 81 provides that no State or political subdivision thereof shall permit any tax on Federal savings banks or their franchises, surplus, deposits, assets, reserves, loans, or income greater than the least onerous on any other thrift institution. It further provides that no State other than the State of domicile shall permit any tax on such items in the case of Federal savings banks whose transactions within such State do not constitute doing business, except that the act is not to exempt foreclosed properties from specified types of taxation. The section also defines "doing business" and other terms used in the section.

TITLE II

Section 201. Change of name of insurance corporation. Section 201 would change the name of the Federal Savings and Loan Insurance Corporation to Federal Savings Insurance Corporation, which is more accurately descriptive of its function.

Section 202. Mergers and similar transactions involving insured institutions. Section 202 would provide, for institutions insured by the Federal Savings Insurance Corporation (which would include but would not be limited to Federal savings banks), ground rules for mergers and similar transactions which would parallel those laid down for insured banks of the Federal Deposit Insurance Corporation by Public Law 89-356, commonly known as the Bank Merger Act of 1966, which made amendments to subsection (c) of section 18 of the Federal Deposit Insurance Act.

Under the new provision, which would add to the National Housing Act a new section 410, an institution insured by the Federal Savings Insurance Corporation could not, except with approval of said Corporation, merge or consolidate with another institution, assume liability to pay deposits, share accounts, or similar liabilities of another institution, or transfer assets to another institution in consideration of assumption of liabilities for any portion of the deposits, share accounts, or similar liabilities of such insured institution. Notice of any proposed transaction of this kind (referred to in the new section as a merger transaction) would, unless the Corporation found it must act immediately to prevent probable failure of an institution involved, be required to be published as set forth in the section in a newspaper of general circulation in the community or communities of the main offices of the institutions, or, if there was no such newspaper, in the newspaper of general circulation published nearest thereto.

Before acting, the Corporation, unless it found that it must so act immediately, must request a report from the Attorney General on the competitive factors involved. The report is to be furnished within 30 calendar days from the request, or within ten days if the Corporation advises the Attorney General that an emergency exists requiring expeditious action. Under subsection (d), the Corporation could not approve any proposed merger transaction which would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or attempt to monopolize the business of thrift institutions in any part of the United States. Further, it could not approve any other proposed merger transaction whose effect in any section of the country might be substantially to lessen competition or tend to create a monopoly or would in any other manner be in restraint of trade, unless it found that the anticompetitive effects were clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served. The same subsection would direct the Corporation to take into consideration in every case the financial and managerial resources and future prospects of the existing and proposed institutions and the convenience and needs of the community.

The Corporation would be required to give immediate notice to the Attorney General of any approval of a proposed merger transaction. If the Corporation found it must act immediately and the report on competitive factors had been dispensed with, the transaction could be consummated immediately on approval by the Corporation. If the Corporation had advised the Attorney General of the existence of an emergency requiring expeditious action and had requested such report within ten days, the transaction could not be consummated before the fifth calendar day after such approval. In other cases it could not be consummated before the thirtieth calendar day after such approval.

Any action brought under the antitrust laws arising out of a merger transaction must be commenced prior to the earliest time under which a merger transaction so approved might be consummated and the commencement of such an action would stay the effectiveness of the approval unless the court specifically ordered otherwise. In any such action, the section provides, the court "shall review de novo the issues presented". In any judicial attack on an approved merger transaction on the ground that such transaction alone and of itself constituted a violation of antitrust laws other than section 2 of the Sherman Act, the standards applied by the court must be identical with those the Corporation is directed to apply under subsection (d).

On the consummation of a merger transaction in compliance with the section and after the termination of any antitrust litigation commenced within the period prescribed (or on the termination of such period if no such litigation is commenced therein) the transaction cannot thereafter be attacked in a judicial proceeding on the ground that it alone and of itself constituted a violation of antitrust laws other than said section 2. However, the provisions of the new section are not to exempt any resulting institution from complying with the antitrust laws after the consummation of the merger transaction. In any action brought under the antitrust laws arising out of a merger transaction so approved by the Corporation, the Corporation and any State banking supervisory agency having jurisdiction within the State involved may appear as a party of its own motion and as of right and be represented by its counsel. The section does not contain any provision purporting to validate any merger transaction consummated before its enactment.

For the purposes of the new section "antitrust laws" would mean the Sherman Act, the Clayton Act, and "any other Acts in pari materia." The Corporation must include in its annual report to the Congress a description of each merger transaction approved by it during the period covered by the report, with (1) the name and resources of each institution, (2) whether a report was so submitted by the Attorney General and, if so, any summary by him of the substance thereof, and (3) a statement by the Corporation of the basis for its approval.

Section 203. Insurance by the Federal Savings Insurance Corporation. Section 203 would require the Federal Savings Insurance Corporation to insure the deposits of each Federal savings bank and authorize it to insure the deposits of mutual savings banks chartered or organized under the laws of the States, the District of Columbia, and the territories and possessions.

Section 204. Conforming amendments to section 406 of National Housing Act. Section 204 would make conforming amendments to provisions of section 406 of the National Housing Act affected by the extension of insurance under title IV of that act to deposits in Federal savings banks and mutual savings banks of the States, the District of Columbia, and the territories and possessions.

Section 205. Conforming amendment to section 407 of National Housing Act. Section 205 of the draft bill would amend section 407 of the National Housing Act (relating to termination of insurance of accounts by the Federal Savings Insurance Corporation) so as to include Federal savings banks along with Federal savings and loan associations among the institutions which cannot voluntarily terminate their insurance with the Federal Savings Insurance Corporation.

Section 206. Change of insurance from Federal Deposit Insurance Corporation to Federal Savings Insurance Corporation. Section 206 provides that when a State-chartered mutual savings bank insured by the Federal Deposit Insurance Corporation qualifies to be insured by the Federal Savings Insurance Corporation or is converted into a Federal savings bank or merged or consolidated into a Federal savings bank or a savings bank which is, or within sixty days becomes, an insured institution under section 401 of the National Housing Act (relating to the Federal Savings Insurance Corporation), the FDIC shall calculate the amount in its capital account attributable to such mutual savings bank, as set forth in the draft bill. This amount is to be paid, as set forth in the draft bill, by the FDIC to the Federal Savings Insurance Corporation.

Section 207. Eligibility of mutual savings banks for FDIC insurance. Section 207 would end the future eligibility for FDIC insurance of those mutual savings banks which the draft bill would make eligible for Federal Savings Insurance Corporation insurance. It would not affect the FDIC insurance of mutual savings banks which on the effective date of the new provisions were insured by the FDIC.

Section 208. Amendment of criminal provisions. Section 208 would amend a number of specified provisions of title 18 of the United States Code, which relates to crimes and criminal penalties. The principal object of these amendments is to extend those provisions so as to make them applicable to Federal Home Loan Bank members and institutions insured by the Federal Savings Insurance Corporation, which would have the effect of making them applicable to Federal savings banks since all such banks would be required by the draft bill to have such membership and insurance.

Section 209. Amendment of section 602 of Federal Property and Administrative Services Act of 1949. Paragraph (11) of section 502 of the Federal Property and Administrative Services Act of 1949 (which section was renumbered as section 602 by section 6 of the Act of September 5, 1950, 64 Stat. 578) provided that nothing in said 1949 act should affect or impair any authority of the Housing and Home Finance Agency, or any officer or constituent agency therein, with respect to the disposal of residential property, or of other property (real or personal) held as part of or acquired for or in connection with residential property, or in connection with the insurance of mortgages, loans, or "savings and loan accounts" under the National Housing Act. Although the Federal Savings and Loan Insurance Corporation (whose name would be changed to Federal Savings Insurance Corporation by this draft bill) ceased to be a constituent of the Housing

and Home Finance Agency, subsection (b) of section 17 of the Federal Home Loan Bank, as added by section 109 of the Housing Amendments of 1955, preserved the applicability of the exemption of the Corporation. Section 209 of the draft bill would change the language "savings and loan accounts" in said paragraph (11) to read "savings and loan or other accounts" so as to make the exemption applicable with respect to the operations of the Corporation in connection with Federal savings banks. The last sentence of said section 209 has been included because the present applicability of the exemption is by means of saving provisions.

Section 210. Technical provisions. Section 210 provides that headings and tables shall not be deemed to be a part of the act and that no inference, implication, or presumption shall arise by reason thereof or by reason of the location or grouping of any section, provision, or portion of the act or of any title of the act.

Section 211. Separability. Section 211, the last section, is a separability provision along usual lines.

H.R. 10745

A bill to authorize the establishment of Federal mutual savings banks

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title I of this Act may be cited as the "Federal Savings Bank Act".

TITLE I—FEDERAL SAVINGS BANKS

Chapter 1. General provisions

Sec. 11. Definitions and rules of construction.

(a) The term "Board" means the Federal Home Loan Bank Board.

(b) The term "mutual thrift institution" means a Federal savings bank, a Federal savings and loan association, or a State-chartered mutual savings bank, mutual savings and loan association, mutual building and loan association, cooperative bank, or mutual homestead association.

(c) The term "thrift institution" means a mutual thrift institution, a guaranty savings bank, a stock savings and loan association, or a stock building and loan association.

(d) The term "financial institution" means a thrift institution, a commercial bank, or an insurance company, and the term "financial institutions acting in a fiduciary capacity", as used in sections 53 and 54, includes a credit union, whether or not acting in a fiduciary capacity.

(e) The term "director", when used with reference to a State-chartered bank, includes a trustee or other person performing functions similar to those of a director of a Federal savings bank.

(f) The term "State" means any State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, and any territory or possession of the United States.

(g) A requirement that a given proportion of the directors of a Federal savings bank vote in favor of a given proposal in order for the proposed action to be taken includes the requirement that the votes be cast at a meeting duly called and held for the purpose of voting on the proposal.

(h) The term "order", when used with reference to an order of the Board, includes a resolution or equivalent formal action.

(i) The term "merger transaction" means any transaction between or among any two or more institutions, at least one of which is a Federal savings bank—

(1) which will result in a merger or consolidation, or

(2) pursuant to which any of such institutions, otherwise than in the ordinary course of business, acquires any assets of, or assumes liability to pay any deposits made in, or share account of, or similar liabilities of, another of such institutions.

(j) The term "resulting bank" or "resulting institution", used in relation to a merger transaction, refers to a bank or other institution (whether or not newly chartered in connection with such transaction) which, after the consummation of such transaction and as a result thereof, carries on the business or any part thereof theretofore carried on by one or more parties to such transaction, and the term refers to such institution as it exists after such consummation.

Sec. 12. Rules and regulations.

The Board is authorized to make such rules and regulations (including definitions of terms used in this title) as it may deem appropriate for the administration, enforcement, or effectuation of the provisions of this title.

Sec. 13. Examination.

(a) REGULAR EXAMINATIONS.—The Board shall conduct not less than one and not more than two regular examinations during each calendar year into the affairs and management of each Federal savings bank. The Board shall make one or more assessments in each year on all Federal savings banks in a manner calculated to yield a total sum approximately equal to the total cost of the examinations authorized by this subsection.

(b) SPECIAL EXAMINATIONS.—The Board may conduct a special examination into the whole or any part of the affairs and management of any Federal savings bank at any time, and shall assess such bank an amount equal to the cost of such examination.

(c) ADVICE AND COMMENT.—The Board may render to any Federal savings bank or officer or director thereof such advice and comment as the Board may deem appropriate with respect to the affairs of such bank.

Sec. 14. Reports.

The Board may require periodic and other reports and information from Federal savings banks.

Sec. 15. Accounts and accounting.

The Board is authorized to prescribe, by regulation or order, accounts and accounting systems and practices for Federal savings banks.

Sec. 16. Right to amend.

The right to alter, amend, or repeal this title is hereby expressly reserved.

Chapter 2. Establishment and voluntary liquidation

Sec. 21. Information to be stated in charter.

Every charter for a Federal savings bank shall set forth—

(1) the name of the bank, which shall include the words "Federal", "Savings", and "Bank",

(2) the locality in which the principal office is to be located.

(3) that such charter is issued under the authority of this Act, and that the corporate existence, powers, and privileges of such bank are subject to this Act (including amendments thereto) and all other applicable laws of the United States.

The charter shall be in such form and may contain such additional material as the Board may deem appropriate, and the Board may make provision for amendments thereto.

Sec. 22. Issuance of charter for new bank.

The Board is authorized to issue a charter for a new Federal savings bank upon the written application, in such form as the Board may prescribe, of not less than five applicants. The Board shall not take such action unless it determines that—

(1) the bank will serve a useful purpose in the community in which it is proposed to be established,

(2) there is a reasonable expectation of its financial success,

(3) its operation may foster competition and will not cause undue injury to existing institutions, including commercial banks, that accept funds from savers on deposit or share accounts,

(4) the applicants are persons of good character and responsibility, and

(5) there has been placed in trust or in escrow such amounts in cash or securities approved by the Board as the Board may require, not less than $50,000, to be transferred to the bank for an initial reserve upon the issuance of its charter, in consideration of transferable certificates to be issued by the bank in such form, upon such terms, and bearing such interest or other return as the Board may approve.

Sec. 23. Issuance of charter for a converted bank.

(a) The Board is authorized to issue a charter for a converted Federal savings bank upon the written application, in such form as the Board may by regulation prescribe, of the converting institution. The Board shall not take such action unless it determines that—

(1) the applicant is a mutual thrift institution,

(2) in the case of a Federal savings and loan association,

(A) two-thirds of the directors have voted in favor of such conversion, and

(B) two-thirds of the votes entitled to be cast by members have been cast in favor of such conversion

at meetings duly called and held for that purpose within six months prior to the time such application is filed with the Board,

(3) in the case of an applicant which is a State-chartered institution, the conversion will not be in contravention of State law,

(4) the converted institution will serve a useful purpose in the community in which it is proposed to be located,

(5) its operation may foster competition and will not cause undue injury to existing institutions, including commercial banks, that accept funds from savers on deposit or share accounts,

(6) there is a reasonable expectation of its financial success, based upon its capitalization, financial history, and quality of management, and such other factors as the Board may deem appropriate,

(7) the composition of its assets is such that, with such exceptions as the Board may prescribe, the institution will be able to dispose of assets not eligible to be invested in by Federal savings banks, and

(8) the proposed initial members of the board of directors are persons of good character and responsibility and there is a reasonable expectation that they will comply with the provisions of section 47 with respect to the conduct of directors.

A converted Federal savings bank may, to such extent as the Board may approve by order, and subject to such prohibitions, restrictions, and limitations as the Board may prescribe by regulations or advice in writing, retain and service the accounts, departments, and assets of the converting institution.

(b) The Board shall not issue a charter under subsection (a) of this section unless

it determines that, taking into consideration the quality of the assets of the converting institution, is reserves and surplus, its expense ratios, and such other factors as the Board may deem appropriate for this purpose, and making appropriate allowances for differences among types of financial institutions, the history of the converting institution has been of a character commensurate with the superior standards of performance expected of a Federal savings bank.

Sec. 24. Conversion of Federal savings banks into other institutions.

(a) CRITERIA FOR APPROVAL.—Upon the written application of a Federal savings bank, the Board is authorized to permit such bank to convert into any other type of mutual thrift institution. The Board shall not take such action unless it determines that—

(1) two-thirds of the bank's directors have voted in favor of the proposed conversion,

(2) the requirements of section 45 have been met,

(3) such conversion will not be in contravention of State law, and

(4) upon and after conversion, the converted institution will be an insured institution of the Federal Savings Insurance Corporation or an insured bank of the Federal Deposit Insurance Corporation.

(b) TEN-YEAR PROHIBITION ON CONVERSION TO STOCK INSTITUTION.—No institution into which a Federal savings bank has been converted may, within ten years after such conversion, convert into any type of institution other than a mutual thrift institution which is either a bank insured by the Federal Deposit Insurance Corporation or an institution insured by the Federal Savings Insurance Corporation. This subsection shall apply to conversions regardless of whether taking place directly or through any intermediate conversions. If the Board, in the case of an institution which has a status as an insured institution of the Federal Savings Insurance Corporation, or the Board of Directors of the Federal Deposit Insurance Corporation, in the case of an institution which has a status as an insured bank of the Federal Deposit Insurance Corporation, determines that such institution has been converted from a Federal savings bank through a conversion or conversions (including any intermediate conversions) any one or more of which constituted a violation of this subsection, such board, by order issued not later than two years after any such violation, may without notice, hearing, or other action terminate such status. Such termination of status as an insured institution shall have the same effect as where such status as an insured institution is terminated by an order issued pursuant to provisions of section 407 of the National Housing Act, and such termination of status as an insured bank shall have the same effect as where such status as an insured bank is terminated by an order issued pursuant to provisions of subsection (a) of section 8 of the Federal Deposit Insurance Act. For the purposes of this subsection and section 26(a), the terms "conversion" and "convert" apply to mergers, consolidations, assumptions of liabilities, and reorganizations as well as conversions.

Sec. 25. Voluntary liquidation.

(a) BOARD APPROVAL REQUIRED.—No Federal savings bank may voluntarily go into liquidation or otherwise wind up its affairs except in accordance with an order of the Board issued under this section.

(b) CRITERIA FOR APPROVAL.—Upon application by a Federal savings bank, the Board is authorized to permit such bank to carry out a plan of voluntary liquidation. The Board shall not take such action unless it determines that—

(1) two-thirds of the bank's directors have voted in favor of the proposed plan of liquidation.

(2) the requirements of section 45 have been met,

(3) there is no longer a need in the community for the bank, or that there is not a reasonable expectation that the continued operation of such bank will be financially sound and successful, and

(4) the plan of liquidation is fair and equitable and in conformity with the requirements of section 26.

Sec. 26. Distribution of assets upon liquidation.

(a) VOLUNTARY LIQUIDATION AND LIQUIDATION WITHIN TEN YEARS OF CONVERSION.—In the event of the liquidation pursuant to section 25 of a Federal savings bank, or in the event of any liquidation of any institution while such institution is subject to the prohibition contained in section 24(b), the net assets remaining after the satisfaction or provision for the satisfaction, in accordance with such rules and regulations as the Board may prescribe, of all proper claims and demands against the savings bank or other institution, including those of depositors or shareholders (but limited, in the case of an institution so subject to section 24(b), to amounts which would have been withdrawable by such depositors or shareholders in the absence of any conversion as defined in section 24(b) while the institution was so subject), shall be distributed to the Federal Savings Insurance Corporation.

(b) INVOLUNTARY LIQUIDATION.—In the event of the liquidation of a Federal savings bank otherwise than pursuant to section 25, the net assets remaining after the satisfaction or provision for the satisfaction, in accordance with such rules and regulations as the Board may prescribe, of all proper claims and demands against the savings bank, including those of depositors, shall be distributed to the depositors of the bank in accordance with such rules and regulations as the Board may prescribe.

Sec. 27. Authority of Board.

The Board shall have power to make rules and regulations for the reorganization, liquidation, and dissolution of Federal savings banks, for merger transactions involving a Federal savings bank, for Federal savings banks in conservatorship and receivership, and for the conduct of conservatorships and receiverships, and the Board may, by regulation or otherwise, provide for the exercise during conservatorship or receivership of functions by depositors, directors, or officers of the bank or anybody having authority to elect or appoint directors of the bank.

Chapter 3. Branching and merger

Sec. 31. Branches.

Sec. 32. Merger transactions.

SEC. 31. Branches.

(a) CRITERIA FOR ESTABLISHMENT OF BRANCH.—A Federal savings bank may establish one or more branches, but only with approval of the Board. The Board shall not grant approval to establish a branch unless it determines that—

(1) there is a reasonable expectation of the branch's financial success, based upon—

(A) the need for such a facility in the locality where it is proposed to be established,

(B) the bank's capitalization, financial history, and quality of management, and

(C) such other factors as the Board may deem appropriate,

(2) its operation may foster competition and will not cause undue injury to existing institutions, including commercial banks, that accept funds from savers on deposit or share accounts, and

(3) if the bank were a State-chartered financial institution of some type other than an insurance company—

(A) it could lawfully establish the proposed branch, or

(B) an office of an affiliated institution of the same type could be established in the same location.

(b) RETENTION OF BRANCHES AFTER CONVERSION.—With such exceptions and under such conditions as the Board may prescribe, a converted Federal savings bank—

(1) may retain any branch in operation immediately prior to conversion, and

(2) shall be deemed to have retained any right or privilege to establish or maintain a branch, if such right or privilege was held by the converting institution immediately prior to conversion.

(c) RETENTION OF BRANCHES AFTER MERGER TRANSACTION.—(1) Subject to the approval of the Board, which shall not be granted later than the effective date of the merger transaction involved, and to the extent permitted by such approval, a Federal savings bank resulting from a merger transaction—

(A) may maintain as a branch the principal office of, or any branch operated by, any other institution party to such transaction immediately prior to the consummation of such transaction, and

(B) shall be deemed to have acquired any right or privilege then held by such other institution to establish or maintain a branch.

(2) The Board shall not grant any approval under paragraph (1) of this subsection unless—

(A) if the resulting Federal savings bank were a State-chartered commercial bank or thrift institution,—

(i) it could lawfully establish such a branch, or

(ii) an office of an affiliated institution of the same type could be established in the same location, or

(B) the Board, in granting such approval, determines that the merger transaction is advisable because of supervisory considerations.

(d) MAINTENANCE OF BRANCHES.—A Federal savings bank shall not maintain any branch—

(1) unless such branch was authorized to be established or retained, or is authorized to be maintained, by or under this section, or

(2) in violation of the terms of any approval granted, or exception or condition prescribed, under this section.

Sec. 32 Merger transactions.

A Federal savings bank may carry out a merger transaction from which the resulting institution will be a mutual thrift institution, but only with the approval of the Board. The Board shall not grant such approval unless it determines that—

(1) every party to the transaction is a mutual thrift institution.

(2) in the case of every party to the transaction which is a Federal savings bank—

(A) two-thirds of the directors have voted in favor of the proposed transaction, and

(B) the requirements of section 45 have been met.

(3) in the case of every party to the transaction which is a Federal savings and loan association—

(A) two-thirds of the directors have voted in favor of the transaction, and

(B) two-thirds of the votes entitled to be cast by members have been cast in favor of the transaction,

at meetings duly called and held for that purpose within six months prior to the time the application is filed with the Board.

(4) in the case of every party to such transaction which is a State-chartered institution, the consummation of such transaction will not be in contravention of State law.

(5) there is a reasonable expectation that the resulting institution will be financially successful, based upon its proposed capitalization, the financial history of each of the institutions involved, and such other factors as the Board may deem relevant.

(6) in the case of a merger, consolidation, or acquisition of assets in which the resulting institution is a Federal savings bank,

the composition of the assets of such bank will be such that, with such exceptions as the Board may prescribe, such bank will be able to dispose of assets not eligible to be invested in by Federal savings banks.

(7) the resulting institution will be an insured bank of the Federal Deposit Insurance Corporation or an insured institution of the Federal Savings Insurance Corporation.

(8) the proposed transaction is approved pursuant to section 410 of the National Housing Act, if applicable, and section 18(c) of the Federal Deposit Insurance Act, if applicable.

Chapter 4. Management and Directors

Sec. 41. Board of Directors.

(a) REQUIREMENT.—A Federal savings bank shall have a board of directors consisting of not less than seven nor more than twenty-five members.

(b) FUNCTIONS.—The management and control of the affairs of a Federal savings bank shall be vested in the board of directors.

(c) DELEGATION.—The Board may prescribe regulations relating to the management structure of Federal savings banks. Subject to such regulations, the board of directors of a Federal savings bank may by bylaws or otherwise delegate such functions and duties as it may deem appropriate.

Sec. 42. Initial Directors.

(a) NEW SAVINGS BANKS.—The initial directors of a new Federal savings bank shall be elected by the applicants as soon as practicable after the issuance of the bank's charter, and shall have such terms as the Board shall by regulation prescribe.

(b) CONVERTED SAVINGS BANKS.—The initial directors of a converted Federal savings bank shall be the directors of the converting institution, except as the Board may otherwise provide (consistent with section 44(b) where applicable), and shall have such terms as the Board may prescribe by regulation or by such order.

Sec. 43. Election of Directors by depositors.

Except as provided in sections 42 and 44, the directors of a Federal savings bank shall be elected by the depositors. The Board may by regulation provide for the terms of office of directors, the manner, time, place, and notice of election, the minimum amount and a holding period or date of determination of any deposit giving rise to voting rights, and the method by which the number of votes any depositor is entitled to cast shall be determined.

Sec. 44. Selection of Directors of banks converted from State-chartered mutual savings banks.

(a) APPLICABILITY.—This section shall apply to any converted Federal savings bank converted from a State-chartered mutual savings bank in operation on the date of enactment of this title whose directors were then and thereafter until conversion chosen otherwise than by depositor election, if the converting State-chartered bank filed as a part of (or an amendment to) its application for a charter a description in such detail as the Board required of the method by which and the terms for which its directors were chosen, and if the converted Federal savings bank has not elected, by a vote of its directors, to be subject to section 43.

(b) RULE.—The method of selection and terms of office of the directors of any bank to which this section is applicable shall be in accordance with the description referred to in subsection (a), with such changes, subject to the discretionary approval of the Board, as may be made upon application by the bank.

Sec. 45. Approval of proposed merger, conversion, or liquidation.

(a) BANKS WITH DEPOSITOR VOTING.—No Federal savings bank whose directors are elected by the depositors may make application to the Board for approval of a merger transaction, a conversion, or the liquidation of such bank pursuant to section 25, unless two-thirds of the votes entitled to be cast by depositors have been cast in favor of making such application at a meeting of depositors duly called and held not more than six months prior to the making of such application for the purpose of considering and voting on the question. The Board shall be regulation provide for the conduct of meetings pursuant to this subsection and for notice and information required to be furnished to depositors with respect thereto and may by regulation provide for the minimum amount, type of deposit, and a holding period or date of determination of any deposit giving rise to voting rights, and the method by which the number of votes any depositor is entitled to cast shall be determined.

(b) BANKS WITHOUT DEPOSITOR VOTING.—No Federal savings bank whose directors are not elected by the depositors may make any application of a type which would require depositor approval under subsection (a) of this section, unless two-thirds of the votes which would be entitled to be cast for the election of directors have been cast in favor of making such application.

(c) EXCEPTIONS.—The Board may except from any or all of the foregoing provisions of this section any case in which the Board determines that such exception should be made because of an emergency requiring expeditious action or because of supervisory considerations.

Sec. 46. Proxies.

(a) FOR ELECTION OF DIRECTORS.—Any proxy given by a depositor in a Federal savings bank for the election of directors of such bank shall be revocable at any time.

(b) FOR APPROVAL OF A MERGER, CONVERSION, OR LIQUIDATION.—Any proxy given by a depositor in a Federal savings bank with respect to a proposal to be voted on pursuant to section 45(a) shall be revocable at any time, shall expire in any event not more than six months after the execution thereof, and shall specify whether the holder thereof shall vote in favor of or against the proposal. Any proxy on such a proposal purporting to give the holder discretion with respect to the exercise thereof shall be void.

(c) PROXY VOTING AND SOLICITATION.—The Board shall prescribe regulations governing proxy voting and the solicitation of proxies, and requiring the disclosure of financial interest, compensation and remuneration by the bank of persons who are or are proposed as officers or directors, and such other matters as it may deem appropriate in the public interest and for the protection of depositors. The Board shall by regulation provide procedures by which any depositor may, at his own expense, distribute proxy solicitation material to all other depositors, but such procedures shall not require the disclosure by the bank of the identity of its depositors. The Board shall by order prohibit the distribution of material found by the Board to be irrelevant, untrue, misleading, or materially incomplete, and may by order prohibit such distribution pending a hearing on such issues.

Sec. 47. General provisions relating to Directors, officers, and other persons.

(a) FIDUCIARY RELATIONSHIP.—The directors and officers of a Federal savings bank shall be in a fiduciary relationship to such bank and its depositors. The Board may prescribe such regulations as it may deem appropriate to define and govern such relationship.

(b)(1) INTERLOCKING PROHIBITED.—Except as provided in paragraph (2) of this subsection, no director of a Federal savings bank may be an officer or director of any financial institution other than such bank.

(2) A director of a converted Federal savings bank who held office on the date of enactment of this title as a director of the institution from which such converted Federal savings bank was converted, and whose service has been continuous, may continue to be a director of any financial institution of which he has continuously been a director since the date of enactment of this title unless the Board finds, after opportunity for hearing, that there exists an actual conflict of interest, or unless such dual service is prohibited by or under some provision of law other than this subsection.

(c) RESIDENCE.—At least one more than one-half of the directors of any Federal savings bank shall be persons residing not more than 150 miles from the principal office of such bank.

(d) COMPENSATION.—No director shall receive remuneration as director except reasonable fees for attendance at meetings of directors or for service as a member of a committee of directors. This subsection shall not prohibit the receipt of compensation by a director for services rendered to his bank by him in another capacity.

(e) ATTENDANCE.—The office of a director shall become vacant whenever he shall have failed to attend regular meetings of the directors for a period of six months, unless excused by a resolution duly adopted by the directors prior to or during such period.

(f) BORROWING.—No Federal savings bank shall make any loan or extend credit in any manner, other than on the security of deposits, to any director, officer, or employee of the bank, or any person or firm regularly serving the bank in the capacity of attorney-at-law, or to any partnership or trust in which any such party has any interest, or to any corporation in which any of such parties are stockholders, and no Federal savings bank shall purchase any loan from any such party, or from any such partnership, trust, or corporation, except that with the prior approval of a majority of its board of directors not interested in the transaction, such approval to be evidenced by the affirmative vote or written assent of such directors, a Federal savings bank may, upon terms not less favorable to the bank than those offered to others, make a loan or extend credit to, or purchase a loan from, any corporation in which any such party owns, controls, or holds with power to vote not more than 15 percent of the outstanding voting securities and in which all such parties own, control, or hold with power to vote not more than 25 percent of the outstanding voting securities. In any such case, full details of the transaction shall be reflected in the records of the bank: *Provided*, That nothing contained in this subsection shall be construed as authorizing a Federal savings bank to make or purchase any loan that it is not otherwise authorized by law to make or purchase: *Provided further*, That any Federal savings bank may, with the prior approval of a majority of its board of directors, and on terms not more favorable than those offered to other borrowers, (1) make a loan on the security of a first lien on a home owned and occupied or to be owned and occupied by a director, officer, or employee of the bank, or by a person or member of a firm regularly serving the bank in the capacity of attorney-at-law, in such amount as may be permitted by regulation of the Board, and (2) make any other loan of a type that it may lawfully make to any director, officer, or employee of

the institution, or to any person or member of a firm regularly serving the bank in the capacity of attorney-at-law, in an aggregate amount not exceeding $5,000.

(g) CERTAIN CONDITIONS PROHIBITED.—No Federal savings bank or director or officer thereof shall require, as a condition to the granting of any loan or the extension of any other service by the bank, that the borrower or any other person undertake a contract of insurance, or any other agreement or understanding with respect to the furnishing of any other goods or services, with any specific company, agency, or individual.

(h) SELECTION OF DEPOSITARY.—No Federal savings bank may deposit any of its funds except with a depositary approved by a vote of a majority of all directors of the savings bank, exclusive of any director who is an officer, partner, director, or trustee of the depositary so designated.

(i) PURCHASES, SALES, AND CONTRACTS.—Except as otherwise provided by the Board, no Federal savings bank may purchase from or sell to, or contract to purchase from or sell to, any of its directors, officers, or employees, or any person or firm regularly serving the bank in the capacity of attorney-at-law, or any partnership or trust in which any such party has any interest, or any corporation in which any of such parties is a stockholder, any securities or other property, except that, where permitted by regulation of the Board, a Federal savings bank may make any such purchase from, or any such sale to, any corporation in which any such party owns, controls, or holds with power to vote not more than 15 percent of the outstanding voting securities and in which all such parties own, control, or hold with power to vote not more than 25 percent of the outstanding voting securities. In any such case, full details of the transaction shall be reflected in the records of the bank. Nothing contained in this subsection shall be construed as authorizing a Federal savings bank to purchase or sell any securities or other property which the bank is not otherwise authorized by law to purchase or sell.

(j) RETURN ON DEPOSITS.—No Federal savings bank shall pay to any director, officer, attorney, or employee a greater rate of return on the deposits of such director, officer, attorney, or employee than that paid to other holders of similar deposits with such bank.

(k) PERSONAL LIABILITY.—If the directors or officers of any Federal savings bank shall knowingly violate or permit any of its directors, officers, employees, or agents to violate any of the provisions of subsections (f), (i), and (j) of this section or regulations of the Board made under authority thereof or (to such extent as the Board may provide by regulation) made under authority of subsection (a) of this section, or any of the provisions of section 212, 213, 214, 215, 665, 1006, 1014, 1906, or 1909 of title 18 of the United States Code, every director and officer participating in or assenting to such violation shall be held liable in his personal and individual capacity for all damages which the bank, its depositors, or any other persons shall have sustained in consequence of such violation.

(l) CONVICTION OF CERTAIN CRIMINAL OFFENSES.—Except with the prior written consent of the Board, no person shall serve as a director, officer, or employee of any Federal savings bank who has been convicted, or who is hereafter convicted, of any criminal offense involving dishonesty or breach of trust. For each willful violation of this prohibition, the bank involved shall be subject to a penalty of not more than $100 for each day this prohibition is violated, which the Board may recover by suit or otherwise for its own use.

(m) CONNECTION WITH SECURITIES BUSINESS.—No officer, director, or employee of any corporation or unincorporated association, no partner or employee of any partnership, and no individual, primarily engaged in the issue, flotation, underwriting, public sale, or distribution, at wholesale or retail, or through syndicate participation of stocks, bonds, or other similar securities, shall serve at the same time as an officer, director, or employee of any Federal savings bank except in limited classes of cases in which the Board may allow such service by general regulations when in the judgment of the Board it would not unduly influence the investment policies of such bank or the advice it gives its customers, regarding investments.

Chapter 5. Sources of funds

Sec. 51. Reserves.

(a) INITIAL RESERVE.—A Federal savings bank for which a charter is issued under section 22 may not commence operations until the amount required by the Board pursuant to section 22(5) has been paid to the bank for an initial reserve. The initial reserve of an operating Federal savings bank may be reduced only by the amount of losses, or by retirement of the certificates referred to in section 22(5).

(b) OTHER RESERVES.—In addition to any initial reserve, a Federal savings bank shall, when required by the Board, and may, when authorized by the Board, establish, and make such credits and charges to, such other reserves (including valuation reserves) as the Board may so require or authorize, and, subject to such restrictions and limitations as the Board may prescribe, may retain amounts as surplus or undivided profits.

Sec. 52. Borrowing.

To such extent as the Board may authorize by regulation or advice in writing, a Federal savings bank may borrow and give security and may issue notes, bonds, debentures, or other obligations or other securities (except capital stock).

Sec. 53. Savings deposits.

(a) ELIGIBLE SAVINGS DEPOSITORS.—A Federal savings bank may accept savings deposits, except from foreign governments and official institutions thereof, and except from private business corporations for profit (other than financial institutions acting in a fiduciary capacity), and may issue passbooks or other evidences of its obligation to repay such savings deposits.

(b) CLASSIFICATION OF DEPOSITORS.—A Federal savings bank may classify its savings depositors according to the character, amount, duration, or regularity of their dealings with the bank. Subject to the restrictions imposed under this title or other provisions of law, the bank may agree with its depositors in advance to pay an additional rate of interest on savings deposits based on such classification, and shall regulate such interest in such manner that each depositor shall receive interest at the same rate as all others of his class.

(c) REFUSAL AND REPAYMENT.—A Federal savings bank may refuse to accept any sums offered for deposit, and may fix, and from time to time alter, a maximum amount for savings deposits, and may repay on a uniform nondiscriminatory basis deposits exceeding such maximum.

(d) INTEREST PAYABLE ONLY FROM EARNINGS.—A Federal savings bank may pay interest on savings deposits only from net earnings and undivided profits. The Board may by regulation provide for the time or rate of accrual of any items of unrealized earnings.

(e) ADVANCE NOTICE OF WITHDRAWAL.—A Federal savings bank may at any time require that up to ninety days' advance notice be given to it by each depositor before the withdrawal of any savings deposit or portion thereof. A Federal savings bank shall immediately notify the Board in writing whenever it requires any such notice of withdrawal.

(f) SUSPENSION OR LIMITATION BY BOARD.—If the Board finds that unusual and extraordinary circumstances so require, the Board may suspend or limit withdrawals of savings deposits from any Federal savings bank. The Board shall enter any such findings on its records.

Sec. 54. Time deposits.

A Federal savings bank may accept, except from foreign governments and official institutions thereof, and except from private business corporations for profit (other than financial institution acting in a fiduciary capacity), deposits for fixed periods of time not less than ninety-one days, and may issue nonnegotiable interest-bearing time certificates of deposit or other evidence of its obligation to pay such time deposits.

Sec. 55. Authority of Board.

The exercise by Federal savings banks of authority vested in them by or under sections 53 and 54 shall be subject to such rules and regulations as the Board may prescribe, except that nothing in this section shall confer on the Board any authority with respect to interest rates other than the additional rate referred to in section 53(b).

Chapter 6. Investments

Sec. 61. Definitions and general provisions.

(a) DEFINITIONS.—For the purposes of this chapter—

(1) The term "general obligation" means an obligation which is supported by an unqualified promise, or an unqualified pledging or commitment of faith or credit—

(A) to pay, directly or indirectly, an aggregate amount which (together with any other funds available for the purpose) will suffice to discharge such obligation according to its terms, and

(B) made by an entity referred to in section 62(1) or 63(a) or by a governmental entity posessing general powers of taxation, including property taxation.

(2) The term "political subdivision of a State" includes any county, municipality, or taxing or other district of a State and any public instrumentality, public authority, commission or other public body of any one or more States.

(3) The amount of any securities held by a Federal savings bank at any time shall be measured by the cost thereof, determined in such manner as may be prescribed by the Board.

(4) The term "eligible leasehold estate" means, with reference to any loan, a leasehold estate meeting such requirements as the Board may by regulation prescribe for the purpose of this subsection.

(5) The term "conventional loan" means a loan (other than such a loan as is referred to in section 70) which is secured by a first lien on a fee simple or eligible leasehold estate in improved real property.

(b) AUTHORITY REQUIRED.—A Federal savings bank may make no loan or investment which is not authorized under this title or other provisions of Federal law.

(c) SERVICE CORPORATIONS.—The Board may authorize any acquisition or retention of assets by a Federal savings bank (including, without limitation, stock in service corporations) upon a determination by the Board that such acquisition or retention is necessary or advisable for a reason or reasons other than investment, and may exempt

or except such acquisition or retention, or such assets, from any provision of this title.

(d) PURCHASES AND PARTICIPATIONS.—Subject to such limitations and requirements as to amounts and as to terms and conditions as the Board may prescribe, a Federal savings bank may acquire by purchase or otherwise any loan or investment, or may acquire by origination or otherwise a participating or other partial interest in any loan or investment, if—

(1) at the time of such purchase or acquisition, the bank would have authority to make the loan or investment (up to the amount of the price of or consideration given for the acquisition) itself, and

(2) in the case of a participating or other partial interest, the bank's interest is—

(A) at least equal in rank to any other interest therein not held by the United States or an agency thereof, and

(B) superior in rank to any other interest therein not held by the United States or an agency thereof, a financial institution, or a holder approved by the Board for the purposes of this section.

(e) LOANS SECURED BY INVESTMENT COLLATERAL.—A Federal savings bank may make any loan secured by any obligation or security in which the bank might lawfully invest at the time the loan is made, but such loan shall not exceed such percentage of the value of the obligation or security, nor be contrary to such limitations and requirements, as the Board may by regulation prescribe.

Sec. 62. Investments eligible for unrestricted investment.

A Federal savings bank may invest in—

(1) General obligations of, obligations fully guaranteed as to principal and any interest by, or other obligations, participations, or other instruments of or issued by—

(A) the United States.

(B) any State.

(C) one or more Federal home loan banks.

(D) one or more banks for cooperatives, or the Central Bank for Cooperatives.

(E) one or more Federal land banks.

(F) the Federal National Mortgage Association.

(G) one or more Federal intermediate credit banks.

(H) the Tennessee Valley Authority.

(I) the International Bank for Reconstruction and Development.

(J) the Inter-American Development Bank.

(K) the Asian Development Bank.

(2) bankers' acceptances eligible for purchase by Federal Reserve banks.

(3) stock of a Federal home loan bank.

Sec. 63. Canadian obligations.

(a) OBLIGATIONS OF CANADA AND CANADIAN PROVINCES.—Subject to the limitations contained in subsection (b) of this section a Federal savings bank may invest in general obligations or obligations fully guaranteed as to principal and any interest by Canada or any Province of Canada.

(b) GENERAL LIMITATIONS.—Any investment by a Federal savings bank in a Canadian obligation, whether pursuant to section 64(2) or subsection (a) of this section, shall be subject to the limitations and conditions that—

(1) such obligation is payable in United States funds, and

(2) immediately upon the making of such investment—

(A) not more than 5 percent of the bank's assets will be invested in Canadian obligations, and

(B) if the investment is in an obligation of a Province of Canada, not more than 1 percent of the bank's assets will be invested in the obligations of such Province.

(c) DEFINITION.—As used in this section, the term "Canadian obligation" means an obligation referred to in subsection (a) of this section or an obligation of Canada or of a Province of Canada referred to in section 64(2).

Sec. 64. Certain other investments.

Subject to the limitation that immediately upon the making of any investment in any security or obligation under authority of this section, not more than 2 percent of the bank's assets will be invested in the securities and obligation of the issuer or obligor of such security or obligation, and subject to such further limitations as to amount and such requirements as to investment merit and marketability as the Board may by regulation prescribe, a Federal savings bank may invest in—

(1) general obligations of a political subdivision of a State.

(2) revenue or other special obligations of Canada, a Province of Canada, a State, or a political subdivision of a State.

(3) obligations or securities (other than equity securities) issued by any corporation organized under the laws of the United States or any State.

(4) obligations of a trustee or escrow agent acting to meet the requirements of section 22(5) of this title, any certificates issued by a Federal savings bank pursuant to such section, and any subordinated debentures of a mutual thrift institution which is insured by the Federal Deposit Insurance Corporation or the Federal Savings Insurance Corporation.

(5) equity securities issued by any corporation organized under the laws of the United States or any State, subject to the further limitations and conditions that at the time of such investment the aggregate of the reserves and undivided profits of the bank is at least equal to 5 percent of the assets of the bank and that immediately upon the making of any investment in any equity security under authority of this paragraph—

(A) the aggregate amount of all equity securities then held by the bank under authority of this paragraph does not exceed 50 percent of its reserves and undivided profits, and

(B) the quantity of the equity securities of the same class and issuer then held by the bank shall not exceed 5 percent of the total outstanding.

For the purposes of this section, the Board may by regulation define the term "corporation" to include any form of business organization.

Sec. 65. Real estate loans.

(a) CONVENTIONAL LOANS.—(1) A Federal savings bank may make conventional loans subject to the following conditions and limitations:

(A) No loan to any borrower may result in an aggregate indebtedness by such borrower, directly or indirectly, to the bank exceeding 2 percent of the bank's assets at the time the loan is made, or $35,000, whichever is greater.

(B) No loan on the security of any one lien may result in an aggregate indebtedness to the bank upon the security of such lien exceeding 2 percent of the bank's assets at the time loan is made, or $35,000, whichever is greater.

(C) No loan secured by a first lien on a fee simple estate in—

(i) a one- to four-family residence may exceed 80 percent, or

(ii) any other real property may exceed 75 percent,

of the value of the property, except under such conditions and subject to such limitations as the Board may by regulation prescribe.

(D) No loan may be made secured by a first lien on a leasehold estate except in accordance with such further requirements and restrictions as the Board may by regulation prescribe.

(2) Loans under this subsection shall be subject to such restrictions and requirements as to appraisal and valuation, maturity (which shall not exceed thirty years in the case of loans on one- to four-family residences), amortization, terms and conditions, and lending plans and practices as the Board may prescribe by regulation. Such restrictions and requirements may differ according to the purpose, type of property securing the loan, or other factors deemed relevant by the Board.

(b) REAL PROPERTY IMPROVEMENT LOANS.—Subject to such prohibitions, limitations, and conditions as the Board may by regulation prescribe, a Federal savings bank may make loans for the repair, alteration, or improvement of any real property.

(c) LOANS ON UNIMPROVED PROPERTY.—A Federal savings bank may make any loan not otherwise authorized under this title secured by a first lien on a fee simple or eligible leasehold estate in unimproved property if—

(1) such loan is made in order to finance the development of land to provide building sites or for other purposes approved by the Board by regulation as being in the public interest, and

(2) such loan conforms to regulations limiting the exercise of powers under this subsection and containing requirements as to repayment, maturities, ratios of loan to value, maximum aggregate amounts, and maximum loans to any one borrower or secured by any one lien, which shall be prescribed by the Board with a view to avoiding undue risks to Federal savings banks and minimizing inflationary pressures on land in urban and urbanizing areas.

(d) LOAN SERVICING.—A Federal savings bank which invests in a loan where the property securing the loan is a one- to four-family residence more than 100 miles, and in a different State, from the principal office of such bank must retain, with respect to such loan, a Federal Housing Administration-approved mortgagee resident in such other State to act as an independent loan servicing contractor, and to perform, with respect to such loan, loan servicing functions and such other related services as are required by the Board.

Sec. 66. Loans upon the security of deposits of share accounts.

(a) A Federal savings bank may make any loan secured by a deposit in itself.

(b) A Federal savings bank may make a loan secured by a deposit or share account in another thrift institution or a deposit in a commercial bank, but only to such extent as the Board may permit by regulation or advice in writing, and subject to any limitations and conditions the Board may impose.

Sec. 67. Loans secured by life insurance policies.

A Federal savings bank may make any loan secured by a life insurance policy, not exceeding the cash surrender value of such policy.

Sec. 68. Unsecured loans.

A Federal savings bank may make unsecured loans not otherwise authorized under this title, but only to such extent as the Board may by regulation permit, and subject to such limitations and conditions as the Board shall by regulation impose. No such loan shall be made by any Federal savings bank if the effect of such loan would be to increase the outstanding principal of such loans by such bank to any principal obligor (as defined by the Board) to an amount which exceeds $5,000. No loan may be made under authority of this section if any obligor on such loan is a private business corporation for profit.

Sec. 69. Educational loans.

Subject to such prohibitions, limitations, and conditions as the Board may by regulation prescribe, a Federal savings bank is authorized to invest in loans, obligations, and advances of credit (all of which are herein-

after referred to as "loans") made for the payment of expenses of college or university education, but no Federal savings bank shall make any investment in loans under this section if the principal amount of its investment in such loans, exclusive of any investment which is or which at the time of its making was otherwise authorized, would thereupon exceed 5 percent of its assets.

Sec. 70. Guaranteed or insured loans.

Unless otherwise provided by regulations of the Board, a Federal savings bank may make any loan the repayment of which is wholly or partially guaranteed or insured by the United States or a State or by an agency of the United States or of a State, or as to which the bank has the benefit of such insurance or guarantee or of a commitment or agreement therefor.

Chapter 7. Miscellaneous corporate powers and duties

Sec. 71. General powers.
Sec. 72. Service as depositary and fiscal agent of the United States.
Sec. 73. Federal home loan bank membership.
Sec. 74. Change of location of offices.
Sec. 75. Liquidity requirements.

Sec. 71. General powers.

(a) SPECIFIED POWERS.—A Federal savings bank shall be a corporation organized and existing under the laws of the United States, and subject to such restrictions as may be imposed under this title or other provisions of law, or by the Board, shall have power—

(1) to adopt and use a seal.

(2) to sue and be sued.

(3) to adopt bylaws governing the manner in which its business may be conducted and the powers vested in it may be exercised.

(4) to make and carry out such contracts and agreements, provide such benefits to its personnel, and take such other action as it may deem necessary or desirable in the conduct of its business.

(5) to sell mortgages and interests therein, and to perform loan servicing functions and related services for others in connection with such sales, provided such sales are incidental to the investment and management of the funds of such bank.

(6) to appoint and fix the compensation of such officers, attorneys, and employees as may be desirable for the conduct of its business, define their authority and duties, require bonds of such of them as the directors may designate, and fix the penalties and pay the premiums on such bonds.

(7) to acquire by purchase, lease, or otherwise such real property or interests in real property as the directors may deem necessary or desirable for the conduct of its business and sell, lease, or otherwise dispose of the same or any interest therein; but the amount so invested shall not exceed one-half of the aggregate of its surplus, undivided profits, and reserves, or such greater amount as the Board may permit by written authorization.

(8) to act as agent for others in any transaction incidental to the operation of its business.

(b) POWERS UNDER OTHER PROVISIONS OF FEDERAL LAW.—A Federal savings bank may exercise any power conferred upon it by or under any provision of Federal law other than this title, but notwithstanding any other provision of law, except specific amendments of this sentence, the exercise of any such power shall be subject to such prohibitions, limitations, and conditions as the Board may impose.

(c) IMPLIED POWERS.—In addition to the powers expressly enumerated or defined in this Act, a Federal savings bank shall have power to do all things reasonably incident to the exercise of such powers.

Sec. 72. Service as depositary and fiscal agent of the United States

When so designated by the Secretary of the Treasury, a Federal savings bank shall be a depositary of public money, except receipts from customs, under such regulations as may be prescribed by the Secretary; and may also be employed as a fiscal agent of the Government; and shall perform all such reasonable duties as depositary of public money and as fiscal agent of the Government as may be required of it.

Sec. 73. Federal home loan bank membership.

Upon the issuance of a charter to a Federal savings bank, such bank shall automatically become a member of the Federal home loan bank of the district in which its principal office is located, or, if convenience shall require and the Board approve, shall become a member of a Federa. home loan bank of an adjoining district. Federal savings banks shall qualify for such membership in the maner provided in the Federal Home Loan Bank Act for other members.

Sec. 74. Change of location of offices.

A Federal savings bank may not change the location of its principal office or any branch except with the approval of the Board.

Sec. 75. Liquidity requirements.

(a) GENERAL PROVISIONS.—Every Federal savings bank shall maintain liquid assets consisting of cash and obligations of the United States in such amount as, in the opinion of the Board, is appropriate to assure the soundness of Federal savings banks: *Provided,* That such amount as the Board shall prescribe (hereinafter in this section referred to as "general liquidity requirement") shall not be less than 4 percent or more than 10 percent of the obligation of the Federal savings bank on deposits and borrowings. The Board may specify the proportion of the general liquidity requirement which shall be maintained in cash and the maturity and type of obligations eligible for inclusion in such liquidity requirement.

(b) CLASSIFICATION.—The Board may prescribe from time to time different general liquidity requirements, within the limitations specified herein, for different classes of Federal savings banks, and for such purposes the Board is authorized to classify such banks according to type of institution, size, location, rate of withdrawals, or, without limitation by the foregoing, on such other basis or bases of differentiation as the Board may deem to be reasonably necessary or appropriate for effectuating the purposes of this section.

(c) ADDITIONAL LIQUIDITY.—The Board may require additional liquidity (hereinafter in this section referred to as "special liquidity requirement") of any Federal savings bank or Federal savings banks if, in the opinion of the Board, the composition and quality of assets, or the composition of deposits and liabilities, or the ratio of reserves and surplus to the deposits of such bank or banks requires a further limitation of risk to protect the safety and soundness of the bank or banks: *Provided,* That the total of the general liquidity required under subsection (a) hereof, and the special liquidity required by the Board under this subsection, shall not exceed 15 percent of the obligation of the bank on deposits and borrowings.

(d) COMPUTATION.—The amount of the general liquidity required to be maintained by each Federal savings bank, and any deficiencies in such liquidity, shall be computed on the basis of the average daily net amounts of the bank covering such periods as may be established by the Board. Any special liquidity required of any Federal savings bank shall be computed in such manner as the Board may prescribe.

(e) PENALTIES.—The penalties for deficiencies in the general or special liquidity may, in the discretion of the Board, include an assessment against the Federal savings bank based on the amount of the deficiency, computed as hereinabove provided, for any such period at a rate of 1 percentage point above the current rate for short-term advances charged by the Federal home loan bank of which it is a member, or by the Federal home loan bank of the district in which is located the Federal savings bank's principal place of business, the making of advances to the Federal savings bank by the Federal home loan bank of which it is a member at the rate of 1 percentage point above the current rate for short-term advances made by such Federal home loan bank, or such other penalties as the Board may deem to be appropriate.

(f) REDUCTION OF LIQUIDITY; SUSPENSION OF REQUIREMENTS.—Whenever the Board deems it advisable, in order to enable a Federal savings bank to meet requests for withdrawals and other existing obligations, the Board may, subject to such conditions as it shall impose, permit such bank to reduce its liquidity below the minimum amount; and in time of national emergency or unusual economic stress, the Board may suspend any part or all of the liquidity requirements provided for herein for such period as the Board deems necessary but not beyond the duration of such emergency or stress.

Chapter 8. Taxation

Sec. 81. State taxation.

Sec. 81. State taxation.

(a) No State or any political subdivision thereof shall impose or permit to be imposed any tax on Federal savings banks or their franchises, surplus, deposits, assets, reserves, loans, or income greater than the least onerous imposed or permitted by such State or political subdivision on any other thrift institution.

(b) No State other than the State of domicile shall impose or permit to be imposed any tax on franchises, surplus, deposits, assets, reserves, loans, or income of institutions chartered hereunder whose transactions within such State do not constitute doing business, except that this Act shall not exempt foreclosed properties from ad valorem taxes or taxes based on the income on receipts from foreclosed properties.

(c) The term "doing business" as used in this section does not include any one or more of the following activities when engaged in by a Federal savings bank:

(1) The acquisition of loans (including the negotiation thereof) secured by mortgages or deeds of trust on real property situated in a nondomiciliary State.

(2) The physical inspection and appraisal of property in a nondomiciliary State as security for mortgages or deeds of trust.

(3) The ownership, modification, renewal, extension transfer, or foreclosure of such loans, or the acceptance of substitute or additional obligors thereon.

(4) The making, collecting, and servicing of such loans through a concern engaged in a nondomiciliary State in the business of servicing real estate loans for investors.

(5) Maintaining or defending any action or suit or any administrative or arbitration proceeding arising as a result of such loans.

(6) The acquisition of title to property which is the security for such a loan in the event of default on such loan.

(7) Pending liquidation of its investment therein within a reasonable time, operating, maintaining, renting, or otherwise dealing with selling, or disposing of, real property acquired under foreclosure sale, or by agreement in lieu thereof.

(d) As used in this section, the term "State of domicile" means the State in which a given Federal savings bank's principal office is located, and the term "nondomiciliary State" means a State other than the State in which such bank's principal office is located.

TITLE II

SEC. 201. The Federal Savings and Loan Insurance Corporation is hereby redesignated as the Federal Savings Insurance Corporation.

SEC. 202. Title IV of the National Housing Act is amended by adding at the end the following new section:

"SEC. 410. (a) Except with the prior writ-

ten approval of the Corporation, no insured institution shall—

"(1) merge or consolidate with any other institution;

"(2) assume liability to pay any deposits, share accounts, or similar liabilities of any other institution;

"(3) transfer assets to any other institution in consideration of the assumption of liabilities for any portion of the deposits, share accounts, or similar liabilities of such insured institution.

"(b) Notice of any proposed transaction for which approval is required under subsection (a) (referred to hereafter in this section as a 'merger transaction') shall, unless the Corporation finds that it must act immediately in order to prevent the probable failure of one of the institutions involved, be published—

"(1) prior to the granting of approval of such transaction,

"(2) in a form approved by the Corporation,

"(3) at appropriate intervals during a period at least as long as the period allowed for furnishing a report under subsection (c) of this section, and

"(4) in a newspaper of general circulation in the community or communities where the main offices of the institutions involved are located, or, if there is no such newspaper in any such community, then in the newspaper of general circulation published nearest thereto.

"(c) In the interests of uniform standards, before acting on any application for approval of a merger transaction, the Corporation, unless it finds that it must act immediately in order to prevent the probable failure of one of the institutions involved, shall request a report on the competitive factors involved from the Attorney General. The report shall be furnished within thirty calendar days of the date on which it is requested, or within ten calendar days of such date if the Corporation advises the Attorney General that an emergency exists requiring expeditious action.

"(d) The Corporation shall not approve—

"(A) any proposed merger transaction which would result in a monopoly, or which would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of thrift institutions in any part of the United States, or

"(B) any other proposed merger transaction whose effect in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless it finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

In every case, the Corporation shall take into consideration the financial and managerial resources and future prospects of the existing and proposed institutions, and the convenience and needs of the community to be served.

"(e) The Corporation shall immediately notify the Attorney General of any approval by it pursuant to this subsection of a proposed merger transaction. If the Corporation has found that it must act immediately to prevent the probable failure of one of the institutions involved and the report on the competitive factors has been dispensed with, the transaction may be consummated immediately upon approval by the Corporation. If the Corporation has advised the Attorney General of the existence of an emergency requiring expeditious action and has requested the report on the competitive factors within ten days, the transaction may not be consummated before the fifth calendar day after the date of approval by the Corporation. In all other cases, the transaction may not be consummated before the thirtieth calendar day after the date of approval by the Corporation.

"(f) (1) Any action brought under the antitrust laws arising out of a merger transaction shall be commenced prior to the earliest time under subsection (e) at which a merger transaction approved under subsection (d) might be consummated. The commencement of such an action shall stay the effectiveness of the Corporation's approval unless the court shall otherwise specifically order. In any such action, the court shall review de novo the issues presented.

"(2) In any judicial proceeding attacking a merger transaction approved under subsection (d) on the ground that the merger transaction alone and of itself constituted a violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2), the standards applied by the court shall be identical with those that the Corporation is directed to apply under subsection (d).

"(3) Upon the consummation of a merger transaction in compliance with this section and after the termination of any antitrust litigation commenced within the period prescribed in this subsection, or upon the termination of such period if no such litigation is commenced therein, the transaction may not thereafter be attacked in any judicial proceeding on the ground that it alone and of itself constituted a violation of any antitrust laws other than section 2 of the Act of July 2, 1890 (section 2 of the Sherman Antitrust Act, 15 U.S.C. 2), but nothing in this section shall exempt any institution resulting from a merger transaction from complying with the antitrust laws after the consummation of such transaction.

"(4) In any action brought under the antitrust laws arising out of a merger transaction approved by the Corporation pursuant to this section, the Corporation, and any State banking supervisory agency having jurisdiction within the State involved, may appear as a party of its own motion and as of right, and be represented by its counsel.

"(g) For the purposes of this section, the term 'antitrust laws' means the Act of July 2, 1890 (the Sherman Antitrust Act, 15 U.S.C. 1–7), the Act of October 15, 1914 (the Clayton Act, 15 U.S.C. 12–27), and any other Acts in pari materia.

"(h) The Corporation shall include in its annual report to the Congress a description of each merger transaction approved by it during the period covered by the report, along with the following information:

"(1) the name and total resources of each institution involved;

"(2) whether a report was submitted by the Attorney General under paragraph (4), and, if so, any summary by the Attorney General of the substance of such report; and

"(3) a statement by the Corporation of the basis for its approval."

SEC. 203. (a) Subsection (a) of section 403 of the National Housing Act (12 U.S.C. 1726 (a)) is amended (1) by inserting "and Federal savings banks" immediately after "Federal savings and loan associations", and (2) by striking out "and cooperative banks organized and operated" and inserting ", 'cooperative banks, and mutual savings banks chartered or organized".

(b) The first sentence of subsection (b) of such section is amended by inserting "and each Federal savings bank" immediately after "each Federal savings and loan association".

SEC. 204. (a) Subsection (a) of section 406 of the National Housing Act (12 U.S.C. 1729 (a)) is amended by inserting "or Federal savings bank" immediately after "Federal savings and loan association".

(b) The first sentence of subsection (b) of such section is amended (1) by inserting "or Federal savings bank" immediately after "Federal savings and loan association" both times it appears, (2) by inserting "or bank" immediately after "such association" both times it appears, and (3) by inserting "or bank" immediately after "insured members of the association".

(c) The second sentence of such subsection is amended by inserting "or bank" immediately after "such association" both times it appears.

(d) The first sentence of subsection (c) of such section is amended by inserting "or Federal savings bank" immediately after "a Federal savings and loan association".

SEC. 205. The first sentence of section 407 of the National Housing Act (12 U.S.C. 1730) is amended by inserting "or a Federal savings bank" immediately after "a Federal savings and loan association".

SEC. 206. Whenever a State-chartered mutual savings bank which is an insured bank of the Federal Deposit Insurance Corporation shall qualify to be insured by the Federal Savings Insurance Corporation or shall be converted into a Federal savings bank or merged or consolidated into a Federal savings bank or a savings bank which is (or within sixty days after the merger or consolidation becomes) an insured institution within the meaning of section 401 of the National Housing Act, the Federal Deposit Insurance Corporation shall calculate the amount in its capital account attributable to such mutual savings bank. For the purpose of such calculation, the amount so attributable shall be deemed to be the total assessments payable to the Federal Deposit Insurance Corporation by such mutual savings bank from the date its deposits became insured by the Federal Deposit Insurance Corporation through the end of the immediately preceding calendar year less the total of—

(1) a sum computed for the same period equal to the total amount of credits toward assessments from net assessment income received by such mutual savings bank,

(2) a pro rata share for the same period of operating costs and expenses of the Federal Deposit Insurance Corporation, additions to reserve to provide for insurance losses (making due allowance for adjustments to reserve resulting in a reduction of such reserve), and insurance losses sustained plus losses from any preceding years in excess of reserves, such pro rata share to be calculated by applying a fraction of which the numerator shall be the average deposits of the mutual savings bank, which may be determined from its report of condition to the Federal Deposit Insurance Corporation in December of each year, from the date its deposits became insured by the Federal Deposit Insurance Corporation to the end of the calendar year preceding the date upon which the calculation is being made, and the denominator shall be the average of total deposits of all insured banks over the same period, which may be determined from the annual reports of the Federal Deposit Insurance Corporation during the same period.

(b) As soon as possible after such mutual savings bank becomes an insured institution within the meaning of section 401 of the National Housing Act, or on demand by the Federal Savings Insurance Corporation in the case of any such conversion, merger, or consolidation, the Federal Deposit Insurance Corporation shall transfer to the Federal Savings Insurance Corporation the amount calculated in accordance with the provisions of subsection (a).

(c) Whenever a State-chartered mutual savings bank which is an insured bank of the Federal Deposit Insurance Corporation shall qualify to be insured by the Federal Savings Insurance Corporation or shall be converted into a Federal mutual savings bank, the bank involved shall, on the date on which it becomes an insured institution within the meaning of section 401 of the National Housing Act, cease to be an insured

bank insofar as the Federal Deposit Insurance Corporation is concerned, but the obligations to and rights of the Federal Deposit Insurance Corporation, depositors of the insured bank, the bank itself, and other persons arising out of any claim made prior to that date shall remain unimpaired. All claims not made prior to such date but which would have been properly payable by the Federal Deposit Insurance Corporation if made prior to that date, shall be assumed by the Federal Savings Insurance Corporation.

SEC. 207. (a) The first sentence of subsection (b) of section 4 of the Federal Deposit Insurance Act is amended by inserting, immediately before the period, a comma followed by the following: "except that the foregoing provisions of this sentence with respect to State banks which become members of the Federal Reserve System shall not be applicable to such banks as are, without regard to any definition in this Act, mutual savings banks referred to in subsection (a) of section 403 of the National Housing Act".

(b) The first sentence of section 5 of the Federal Deposit Insurance Act is amended by inserting immediately after "any State nonmember bank" the language "(except such banks as are, without regard to any definition in this Act, mutual savings banks referred to in subsection (a) of section 403 of the National Housing Act)".

SEC. 208. (a) Section 212 of title 18 of the United States Code is amended to read as follows:

"§ 212. Offer of loan or gratuity to bank examiner

"Whoever, being an officer, director, or employee of a bank which is a member of the Federal Reserve System or the deposits of which are insured by the Federal Deposit Insurance Corporation, or of any member of any Federal home loan bank or any institution the accounts of which are insured by the Federal Savings Insurance Corporation, or of any land bank, Federal land bank association, or other institution subject to examination by a farm credit examiner, or of any small business investment company, makes or grants any loan or gratuity, to any examiner or assistant examiner who examines or has authority to examine such bank, corporation, member, or institution, shall be fined not more than $5,000 or imprisoned not more than one year, or both; and may be fined a further sum equal to the money so loaned or gratuity given.

"The provisions of this section and section 213 of this title shall apply to all public examiners and assistant examiners who examine member banks of the Federal Reserve System or insured banks, or members of any Federal home loan bank or insured institutions, whether appointed by the Comptroller of the Currency, by the Board of Governors of the Federal Reserve System, or by a Federal Reserve agent, or by a Federal Reserve bank, or by the Federal Deposit Insurance Corporation, or by the Federal Home Loan Bank Board, or by the Federal Savings Insurance Corporation, or by any Federal home loan bank, or appointed or elected under the laws of any State; but shall not apply to private examiners or assistant examiners employed only by a clearinghouse association, or by the directors of a bank, corporation, member, or insured institution.

"Nothing contained herein or in section 213 of this title shall prohibit (1) any such officer, director, or employee from making, or an examiner or assistant examiner from accepting, from any such bank, corporation, member, institution, association, or organization, a loan in an amount not exceeding $30,000 which is secured by a first lien on a home owned and occupied or to be owned and occupied by such examiner or assistant examiner, or (2) any officer, director, or employee of any national banking association or State bank which is a member of the Federal Reserve System from making, or any examiner or assistant examiner of the Federal Deposit Insurance Corporation from accepting, a loan from any such bank under regulations adopted by the Corporation: *Provided*, That no examiner or assistant examiner to whom such a loan is made shall, as long as the loan remains outstanding, participate in any examination of the institution by which the loan was made."

(b) Section 213 of title 18 of the United States Code is amended to read as follows:

"§ 213. Acceptance of loan or gratuity by bank examiner

"Whoever, being an examiner or assistant examiner of member banks of the Federal Reserve System or banks the deposits of which are insured by the Federal Deposit Insurance Corporation, or members of any Federal home loan bank or institutions the accounts of which are insured by the Federal Savings Insurance Corporation, or a farm credit examiner, or an examiner of small business investment companies, accepts a loan or gratuity from any bank, corporation, member, institution, association, or organization examined by him or from any person connected therewith, shall be fined not more than $5,000 or imprisoned not more than one year, or both; and may be fined a further sum equal to the money so loaned or gratuity given, and shall be disqualified from holding office as such examiner."

(c)(1) Section 214 of title 18 of the United States Code is amended to read as follows:

"§ 214. Offer for procurement of certain loans or discounts

"Whoever stipulates for or gives or receives, or consents or agrees to give or receive, any fee, commission, bonus, or thing of value for procuring or endeavoring to procure from any Federal Reserve bank, or any Federal home loan bank, any advance, loan, or extension of credit or discount or purchase of any obligation or commitment with respect thereto, either directly from such Federal Reserve bank or Federal home loan bank, or indirectly through any financing institution, unless such fee, commission, bonus, or thing of value and all material facts with respect to the arrangement or understanding therefor shall be disclosed in writing in the application or request for such advance, loan, extension of credit, discount, purchase, or commitment, shall be fined not more than $5,000 or imprisoned not more than one year, or both."

(2) The table of sections at the beginning of chapter 11 of title 18 of the United States Code is amended by changing "Offer for procurement of Federal Reserve bank loan and discount of commercial paper" to read "Offer for procurement of certain loans or discounts".

(d) Section 215 of title 18 of the United States Code is amended to read as follows:

"§ 215. Receipt of commissions or gifts for procuring loans

"Whoever, being an officer, director, employee, agent, or attorney of any bank, the deposits of which are insured by the Federal Deposit Insurance Corporation, or of a Federal intermediate credit bank, or of any member of a Federal home loan bank, or of any institution the accounts of which are insured by the Federal Savings Insurance Corporation, except as provided by law, stipulates for or receives or consents or agrees to receive any fee, commission, gift, or thing of value, from any person, firm, or corporation, for procuring or endeavoring to procure for such person, firm, or corporation, or for any other person, firm, or corporation, from any such bank, corporation, member, or institution, any loan or extension or renewal of loan or substitution of security, or the purchase or discount or acceptance of any paper, note, draft, check, or bill of exchange by any such bank, corporation, member, or institution, shall be fined not more than $5,000 or imprisoned not more than one year, or both."

(e) Section 655 of title 18 of the United States Code is amended to read as follows:

"§ 655. Theft by bank examiner

"Whoever, being bank examiner or assistant examiner steals, or unlawfully takes, or unlawfully conceals any money, note, draft, bond, or security or any other property of value in the possession of any bank or banking institution which is a member of the Federal Reserve System or which is insured by the Federal Deposit Insurance Corporation, or of any member of any Federal home loan bank, or of any institution the accounts of which are insured by the Federal Savings Insurance Corporation, or from any safe deposit box in or adjacent to the premises of such bank, member, or institution, shall be fined not more than $5,000 or imprisoned not more than five years, or both; but if the amount taken or concealed does not exceed $100, he shall be fined not more than $1,000 or imprisoned not more than one year, or both; and shall be disqualified from holding office as a national bank examiner, Federal Deposit Insurance Corporation examiner, or Federal Home Loan Bank Board examiner, or as an examiner of any such member or institution.

"This section shall apply to all public examiners and assistant examiners who examine member banks of the Federal Reserve System or banks the deposits of which are insured by the Federal Deposit Insurance Corporation, or members of any Federal home loan bank or institutions the accounts of which are insured by the Federal Savings Insurance Corporation, whether appointed by the Comptroller of the Currency, by the Board of Governors of the Federal Reserve System, by a Federal Reserve agent, by a Federal Reserve bank, or the Federal Deposit Insurance Corporation, or by the Federal Home Loan Bank Board, or by the Federal Savings Insurance Corporation, or by any Federal home loan bank, or appointed or elected under the laws of any State; but shall not apply to private examiners or assistant examiners employed only by a clearinghouse association, or by the directors of a bank, member, or insured institution."

(f) Section 657 of title 18 of the United States Code is amended to read as follows:

"§ 657. Lending, credit, and insurance institutions

"Whoever, being an officer, director, agent, or employee of or connected in any capacity with the Federal Home Loan Bank Board, the Federal Savings Insurance Corporation, any Federal home loan bank, the Federal Deposit Insurance Corporation, the Farm Credit Administration, the Federal Housing Administration, the Federal Crop Insurance Corporation, the Secretary of Agriculture, acting through the Farmers' Home Administration, or any land bank, intermediate credit bank, bank for cooperatives, or any lending, mortgage, insurance, credit, or savings and loan corporation or association authorized or acting under the laws of the United States, or any member of any Federal home loan bank or any institution the accounts of which are insured by the Federal Savings Insurance Corporation, or any small business investment company, and whoever, being a receiver of any such institution, or agent or employee of the receiver, embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, credits, securities, or other things of value belonging to any such agency, bank, corporation, association, member, or institution, or pledged or otherwise entrusted to its care, shall be fined not more than $5,000 or imprisoned not more than five years, or both; but if the amount or value embezzled, abstracted, purloined, or misapplied does not exceed $100, he shall be fined not more than $1,000 or imprisoned not more than one year, or both."

(g)(1) Section 1006 of title 18 of the United States Code is amended to read as follows:

"§ 1006. Federal credit institution entries, reports, and transactions

"Whoever, being an officer, director, agent, or employee of or connected in any capacity with the Federal Home Loan Bank Board, the Federal Savings Insurance Corporation, any Federal home loan bank, the Federal Deposit Insurance Corporation, the Farm Credit Administration, the Federal Housing Administration, the Federal Crop Insurance Corporation, the Secretary of Agriculture acting through the Farmers' Home Administration, or any land bank, intermediate credit bank, bank for cooperatives, or any lending, mortgage, insurance, credit, or savings and loan corporation or association authorized or acting under the laws of the United States, or any member of any Federal home loan bank or any institution the accounts of which are insured by the Federal Savings Insurance Corporation, or any small business investment company, with intent to defraud any such institution or any other company, body politic or corporate, or any individual, or to deceive any officer, auditor, examiner, or agent of any such institution or of any department or agency of the United States, makes any false entry in any book, report, or statement of or to any such institution, or without being duly authorized, draws any order or bill of exchange, makes any acceptance, or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree, or, with intent to defraud the United States or any agency thereof, or any bank, corporation, member, institution, or association referred to in this section, participates or shares in or receives directly or indirectly any money, profit, property, or benefits through any transaction, loan, commission, contract, or any other act of any such agency, bank, corporation, member, institution, or association, shall be fined not more than $10,000 or imprisoned not more than five years, or both."

(2) Section 1009 of title 18 of the United States Code is amended by striking out "Federal Savings and Loan Insurance Corporation" and inserting in lieu thereof "Federal Savings Insurance Corporation or any institution the accounts of which are insured by said Corporation".

(3) Section 1014 of title 18 of the United States Code is amended by striking out "a Federal Savings and Loan Association" and inserting in lieu thereof "any institution the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation or the Federal Savings Insurance Corporation".

(h) Section 1906 of title 18 of the United States Code is amended to read as follows:

"§ 1906. Disclosure of Information by Bank Examiner

"Whoever, being an examiner, public or private, discloses the names of borrowers or the collateral for loans of any member bank of the Federal Reserve System, or bank insured by the Federal Deposit Insurance Corporation, or of any member of any Federal home loan bank or any institution the accounts of which are insured by the Federal Savings Insurance Corporation, examined by him, to other than the proper officers of such bank, member, or institution, without first having obtained the express permission in writing from the Comptroller of the Currency as to a national bank or a district bank, the Board of Governors of the Federal Reserve System as to a State member bank, the Federal Deposit Insurance Corporation as to any other insured bank, or the Federal Home Loan Bank Board as to any member of any Federal home loan bank, other than those the deposits of which are insured in accordance with the provisions of the Federal Deposit Insurance Act, or as to any institution the accounts of which are insured by the Federal Savings Insurance Corporation, or from the board of directors of such bank, member, or institution, except when ordered to do so by a court of competent jurisdiction, or by direction of the Congress of the United States, or either House thereof, or any committee of Congress of either House duly authorized, shall be fined not more than $5,000 or imprisoned not more than one year, or both."

(i) Section 1909 of title 18 of the United States Code is amended to read as follows:

"§ 1909. Examiner performing other services

"Whoever, being a national bank examiner, Federal Deposit Insurance Corporation examiner, farm credit examiner, or an examiner or assistant examiner of members of any Federal home loan bank or institutions the accounts of which are insured by the Federal Savings Insurance Corporation, performs any other service, for compensation, for any bank or banking or loan association, or for any such member or institution, or for any building and loan association, savings and loan association, homestead association, or cooperative bank, or for any officer, director, or employee thereof, or for any person connected therewith in any capacity, shall be fined not more than $5,000 or imprisoned not more than one year, or both."

SEC. 209. Paragraph (11) or subsection (d) of section 602 of the Federal Property and Administrative Services Act of 1949 is amended by inserting "or other" immediately after "savings and loan". The amendment made by this section shall be applicable to said paragraph as heretofore or hereafter amended and supplemented.

SEC. 210. No section heading or other heading and no table appearing in this Act shall be deemed to be a part of this Act or of any title of this Act, and no inference, implication, or presumption of legislative or other construction shall be drawn, made, or deemed to exist by reason of any such heading or table or by reason of the location or grouping of any section, provision, or portion of this Act or of any title of this Act.

SEC. 211. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provision of this Act, or any provision enacted, altered, or amended by this Act, or the application of any such provision to any person or circumstances, is held invalid, the remainder of this Act and of the provisions enacted, altered, or amended by this Act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SCHOLARSHIP TRIP FOR HIGH SCHOOL JUNIORS

Mr. ROUSH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ROUSH. Mr. Speaker, last week I described to the Members of the House of Representatives the Fifth Congressional District Washington scholarship trip for high school juniors.

At that time I indicated that these students were chosen by their schools and financed by various kinds of service organizations and civic-minded citizens from the major cities in the Fifth District.

Eleven students came last week. Fifteen are here this week. I sincerely hope that the students who are with us now will enjoy their 3½ days in the Capital of the United States as much as those did last week; that our second group will learn as much about the legislative, executive, and judicial branches of their Government.

Our first group left filled with enthusiasm. We crowded a lot into a few days: State Department visit and excellent briefing; a visit to the Supreme Court and luncheon there; a congressional hearing; an embassy tour; a detailed introduction to the workings of a Congressman's office by my own staff; the Archives; the historic monuments; meeting with a Peace Corps representative—and many more interesting experiences.

It was almost too much for the students to absorb, yet we felt we must at least indicate the overall workings of our Federal Government rather than to concentrate on any one single aspect, regardless of how interesting that might be.

I expect both groups to return to Indiana and share this significant educational experience with their families and friends. I am delighted to have been an instrument in bringing them here.

Mr. Speaker, at this point I should like to include the names of those students who are visiting with us here in Washington this week:

Maconaquah High School: Mary Jo Radel, Miami.

Highland High School: Kathy Sheldrake, Madison.

Fairmount High School: Linda Chapel, Grant.

Madison Heights High School: Fred Donaldson, Madison.

Marion High School: John Copeland, Grant.

Decatur High School: Vicki Wolfe, Adams.

Monmouth High School: Don Ehlerding, Adams.

Montpelier High School: Richard A. Beymer, Blackford.

Northwestern High School: James Stunkard, Howard.

Bluffton High School: Glen Talbert, Wells.

Marion High School: Rory O'Connor, Grant.

Pendleton High School: Christy Campbell, Madison.

Lancaster High School: Ronald Gehring, Wells.

Elwood High School: Barbara Knauer, Madison.

Bennett High School: Steve Peters, Grant.

ROGERS INTRODUCES RADIATION SAFETY ACT OF 1967

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, last month I spoke to the House regarding the potential hazard of X-radiation as emitted from color television sets.

At that time, I was advised that the Federal Government had no machinery and no specific program for testing and evaluating this problem.

Since a great portion of the American public watches television, I consider it necessary that the Government be in a position of assuring the public that

there is no possible danger connected with color television.

I have therefore drawn a bill which I am introducing today and is cosponsored by Congressman JOHN JARMAN, of Oklahoma, that would allow the Secretary of Health, Education, and Welfare to establish a proper level of radiation for television sets and give him the machinery to inspect sets to make sure they were in compliance with that standard.

As the television industry has always cooperated with Government in matters of public interest, I feel that it will again direct itself to the problem in conjunction with the establishment of proper standards so that the American public will be insured that the highest level of safety is being adhered to in regard to television viewing.

I feel that the Government has an obligation to the public to insure this confidence. And the bill which I am introducing will give the Secretary of Health, Education, and Welfare the tools to implement these safeguards.

HON. GEORGE R. STOBBS—LAWYER, CIVIC LEADER, AND CONGRESSMAN

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, in common with many people in Worcester County and my district, I was greatly saddened to learn of the passing of the Honorable George R. Stobbs, former Representative of the Fourth Massachusetts District, who served as a Member of the House in the 69th, 70th, and 71st sessions.

Congressman Stobbs had a brilliant career and was a man of many interests and achievements. He was possessed of a very bright, alert mind, learned in the law, dedicated to his beloved city of Worcester, State, and country, and devoted to many fine causes. His service in this body was distinguished by his great ability, zeal, and accomplishment. He was an outstanding Congressman.

For years, both before and since his service in the House, he was recognized as a lawyer of eminence in Worcester County and in our State.

He was a very fine, cultured gentleman, highly trained and educated, and possessed of very high qualifications as a counselor-at-law, and was very distinguished before the bar.

In addition, he took part in a host of civic activities, and was noted for his effective leadership in behalf of innumerable great causes.

Of very pleasing personality, gracious and courtly in manner and approach, gregarious and outgoing, popular among the people, well-liked and esteemed by lawyers and by all who knew him, George Stobbs was indeed a notable figure in contemporary American life.

He was born in Webster, Mass., in my district, attended the Webster public schools and was a graduate of Phillips Exeter Academy, Harvard College, A.B., magna cum laude, A.M. in history and government.

He took his law degree with similar distinctions at Harvard Law School in 1902, and served as assistant in the history department of the college while studying law. Following his admission to the Massachusetts bar that same year, he joined the law office of Taft, Morgan & Stewart in Worcester, and this firm later became Taft & Stobbs, and eventually Stobbs, Stockwell & Tilton, a very prominent, successful, law firm.

In 1909, he was appointed special justice of the central district court of Worcester, where he served until 1917, when he resigned to become an assistant district attorney. In 1924, he was elected to the U.S. House of Representatives on the Republican ticket and, as I pointed out, he served three successive terms with real distinction, and was highly esteemed and respected by his colleagues.

He was a member of the House Judiciary Committee, also a member of the commission to represent the House of Representatives at the sesquicentennial of the passage of the resolution at Williamsburg, Va., instructing Richard Henry Lee to introduce a resolution in the Continental Congress for independence of the Colonies. This distinguished commission represented the House at the sesquicentennial of the Battle of Yorktown.

He was also a member of the commission to represent the House of Representatives at the Inter-Parliamentary Conference in London.

While in Congress, he worked to obtain compensation for World War I veterans and Spanish-American War veterans and widows.

He retired from public life in 1931 to resume the private practice of law in which he achieved such very high standing.

In World War I, he was a captain in the Massachusetts State Guard, and from 1937 to 1942 he was a lieutenant colonel in the U.S. Army Reserve.

Congressman Stobbs was an acknowledged authority on history and was president of the Worcester Historical Society, trustee of the famous Old Sturbridge Village, and a member of the American Antiquarian Society and the Vermont Historical Society.

He was also past president of the Bohemian Club, the Shakespeare Club, the Worcester Fresh Air Fund, the Worcester Harvard Club, the Economic Club and was a director of the Worcester Free Public Library.

He was also a former director of Worcester County National Bank, First National Bank of Webster, chairman of the board of trustees of Becker Junior College, a member of the board of trustees of Rural Cemetery and a director of the Worcester Gas Light Co.

He was a director of the Worcester Boys Club for more than 20 years and also served as the club's attorney and on its finance committee.

He was a member of the American, Massachusetts, and Worcester County Bar Associations.

In 1930, Delta Upsilon Fraternity elected him first vice president, the highest honorary post in the organization.

In Washington, he was a member of the Raquet Club and the Burning Tree Club.

He served as chairman of the Worcester branch of the Foreign Policy Association and was a member of the Worcester Fire Society, the Massachusetts and Worcester County Republican Clubs, and was an honorary member of the Rotary and Kiwanis Clubs of Worcester.

He was a 32d degree Mason and a member of the First Unitarian Church of Worcester.

The foregoing account of his life, career, interests, activities, offices, positions, distinctions and honors of former Congressman Stobbs was largely taken from an "In Memoriam" article in the Worcester Legal News.

His life was an extremely active one and he participated in many business, civic, charitable, fraternal, benevolent, and religious pursuits.

He was an unusually vigorous leader who, in his long, very useful, dedicated lifetime, left a deep impress upon the times in which he lived.

Endowed with boundless energy and enthusiasm and a zest for worthwhile endeavors, George Stobbs was respected, admired, and esteemed as a great American in many places and by many people. His long life, rich in significant achievements and contributions illustrates the fine, constructive things that can be done when natural ability, superb training, high qualifications of character, fitness and capacity are combined and sparked by a tireless, unswerving public spirit and inspired personal zeal to serve commendably and brilliantly—not in private fields alone, but in public areas as well, to further the interests of the people and the country and to strengthen the fabric of American institutions.

Such a man was George Stobbs.

He will long be remembered for the high quality of his citizenship, his outstanding service to city, State, and Nation and his warm, generous, personal qualities.

To his sorrowfully bereaved family, and all the dear ones he leaves behind to carry on in his spirit of devotion, I extend most heartfelt sympathy and sincere prayers that the good Lord may comfort and sustain them in their hour of grief and bring them his consolations and blessings. May he rest in peace.

ADDITIONAL LEGISLATIVE PROGRAM FOR THE BALANCE OF THE WEEK

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, I take this time to ask the distinguished majority leader as to the program for tomorrow and the rest of the week.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the majority leader.

Mr. ALBERT. Mr. Speaker, in response to the inquiry, I am glad that the distinguished gentleman from Arizona has taken this time to ask about the program, because there has been, as we had announced there might well be, a change in the program. Tomorrow we will have the Flag Day ceremonies as announced, but following those ceremonies we will put over the bill H.R. 2082 providing certain benefits to members of the Armed Forces for dependents' schooling. We will announce the programing of that later and we will put down for consideration tomorrow House Joint Resolution 559, settlement of the current railway labor-management dispute, which will be considered under an open rule, with 3 hours of general debate.

Mr. RHODES of Arizona. Mr. Speaker, may I ask the distinguished gentleman from Oklahoma as to the plans for bringing up the bill having to do with the desecration of the flag? I had understood that it might be brought up tomorrow.

Mr. ALBERT. Mr. Speaker, if the distinguished gentleman from Arizona will yield further, the program will remain the same, except that the railway joint resolution has the right-of-way, and if the other bill has to be put over until next week, well, we shall of course have to do that.

Mr. RHODES of Arizona. Does the gentleman from Oklahoma have any thoughts as to the schedule for Thursday and the balance of the week?

Mr. ALBERT. Mr. Speaker, if the distinguished gentleman will yield further, we still have the program for Thursday as announced, except I must advise the gentleman that we do not know whether we will finish the joint resolution dealing with the railway matter tomorrow. If not, it will go over to Thursday. Otherwise, we will take up the flag desecration bill on Thursday as announced. But in no event will we take up the railway bill and the other bills after Thursday.

Mr. RHODES of Arizona. I thank the gentleman from Oklahoma.

JOSEPH CARDINAL RITTER

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. ZION] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ZION. Mr. Speaker, Saturday morning the world was saddened to learn that a great churchman and a fine American had passed away quietly in his sleep. The death of Joseph Cardinal Ritter, at the age of 74, was a profound loss to the men and women of all faiths in the hills of southern Indiana where he grew to manhood and received his religious training.

Born in New Albany, July 20, 1892, he was one of six children of Nicholas and Bertha Ritter. Like his four brothers and sister, he worked in the family's neighborhood bakery. He was graduated from St. Meinrad's Seminary, in Spencer County, in 1917.

He served as a priest and rector in Indianapolis until 1933, at which time he was consecrated a bishop, and at 41 was one of the youngest bishops in America.

Joseph Ritter's first act as a newly consecrated bishop was to walk through the church and give his parents his first personal blessing. Later that day he remembered an invalid member of the diocese and stopped at her home to show her his ring, simply because he knew that she would like that.

When Pope Pius XII elevated the Indianapolis See to an archdiocese in 1944, Cardinal Ritter became the first archbishop of Indiana. He immediately stepped into the path of the Ku Klux Klan, ordering desegregation of parochial schools. He established five instructional centers for Negro children and asked that white members of the church give special assistance to Negro members.

In 1946 he was named archbishop of St. Louis. Long after leaving Indiana, Cardinal Ritter retained fond memories. "I'm a born Hoosier, and I'm proud of it," he liked to say. He missed the home of his boyhood and one of his friends remarked, on learning of his death, "One of the hardest decisions that Cardinal Ritter had to make was leaving Indiana and all the people he knew."

Pope John XXIII bestowed the red hat of a cardinal on Joseph Ritter in 1960, adding yet another turn to the able prelate's life. The then "prince of the church" sent this message to the people of Indiana:

> I could not forget you. When word came of this great honor, I thought of you who helped me to merit it. Surely you are my joy and crown.

Cardinal Ritter became recognized as one of the most forceful and respected leaders of the Catholic Church in America. He was regarded by his colleagues in the College of Cardinals as a liberal and took a prominent part in church reforms advocated by the Second Vatican Council. At the council he supported a proposal that each individual could worship God in his own way, even if he were "in error" in the eyes of the church. The proposal failed but Cardinal Ritter had promised to "continue to work for approval of the religious-freedom document."

The cardinal served as the chief American spokesman at the council and was held to be one of the most influential of the 2,000 bishops in attendance.

Cardinal Ritter had a surprising attachment for his home city of New Albany and returned frequently to his home country along the Ohio River in the years that followed. The community that sent him forth had its last formal reunion with him on May 7, 1961, only 4 months after he had been named a cardinal. The humble, former "baker's boy" had scores of friends in southern Indiana. Remarked his longtime friend, Msgr. James Jansen of New Albany, on learning of the cardinal's death:

> His association with the great of this world never deprived him of interest in the common man. Certainly no one has ever had greater ambition to labor for the welfare of people entrusted to his care.
>
> He was never content to follow the easy path of mediocrity, but courageously launched many and varied programs in the social field with amazing serenity and sureness of purpose; many of these programs were quickly adopted all over the country—in education, integration, and ecumenism. Full of ideas, his life was stamped with the nobility of truth. The closer you were to him, the more you were forced to appreciate his greatness.

Msgr. Herman Mootz, vicar general of the Evansville diocese and pastor of the St. John's Church in Evansville, recalled his friendship with the cardinal. He said:

> He was a very friendly, meek, and hospitable man. He was very fine. I don't know how to put it. He always had a pat on the back for a person and he was interested in everyone.

Joseph Cardinal Ritter had just celebrated his golden jubilee as a priest in Indiana several weeks ago. It was to be his final trip to his native soil. He was shortly to suffer two heart attacks in St. Louis and, in the quiet dawn hours of Saturday, June 10, his great heart stopped. Dr. C. G. Vournas, his personal physician, said the cardinal's last words were, "I feel weak; I'm tired."

Fifty years of service to his God and to his church had come to an end. The life of the New Albany baker's son had left an impact on all those who knew and loved him. He will be missed.

ARMED FORCES MAILING PRIVILEGES

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BUTTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. BUTTON. Mr. Speaker, as a member of the Subcommittee on Postal Rates of the House Post Office and Civil Service Committee, I am extremely gratified to have taken part in the extensive discussions leading to the passage last Monday of H.R. 10226, the bill that will extend free mailing privileges to all members of the Armed Forces overseas.

I appreciate our chairman, the Honorable THADDEUS J. DULSKI, asking for unanimous consent on Monday, so all Members would have 5 legislative days in which to comment, for the RECORD, on this very worthwhile postal legislation. Especially, since I could not be in attendance during the deliberations on the floor, due to the necessity of my being in my district on official business.

Mr. Speaker, this bill rounds out the efforts of our committee to see, after work for a number of years, that all servicemen serving in overseas areas have the benefits of fast, efficient, and less expensive mail service. It also touches those family members here at home of servicemen overseas, who want, in every way possible, to maintain the highest morale among our men in uniform.

It is significant, Mr. Speaker, that this bill had the bipartisan support of each member of the Postal Rates Subcommittee, and was cosponsored by 25 members of the full committee.

This new legislation will extend free mailing privileges on letters, cards, and sound-recording personal communications to all members of the Armed Forces overseas, and to all members hospitalized as a result of disease or injury incurred while on active duty.

Additionally, this legislation will establish a new category of airlift mail for a member of the Armed Forces between the point of mailing and the point of delivery for parcels not in excess of 30 pounds of weight and 60 inches in length and girth combined, mailed at or addressed to any Armed Forces post office.

As a new member, Mr. Speaker, of the Subcommittee on Postal Rates, I want to express my sincere pleasure at being able to join with my distinguished colleagues in this effort. I also would like to take this opportunity to express my appreciation to the Honorable ARNOLD OLSEN, of Montana, chairman of our subcommittee, who worked diligently in preparing this important legislation.

LEGISLATION MAKING THE BUNKER HILL BATTLEFIELD A NATIONAL HISTORIC SITE

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. CLEVELAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. CLEVELAND. Mr. Speaker, I am joining today with my distinguished colleague, the gentleman from Massachusetts [Mr. O'NEILL], in introducing a bill which would establish the famed Bunker Hill battlefield in Boston as a national historic site and put it under the aegis of the National Park Service.

As most children know from their history courses, the battle of Bunker Hill was fought June 17, 1775, or 192 years ago this Saturday. While the defense of Bunker Hill has been characterized as an act of bravery and courage by our predecessors in the history books, the famed battle certainly had its strategic value, too.

Not only did this battle persuade the waverers among the colonists to join our War of Revolution and hearten those patriots who already had; but, as one historian later wrote:

> At Concord and Lexington we proved we would fight, at Bunker Hill we proved we could fight.

While the battlefield site itself is within the Massachusetts district so ably represented by my colleague, the gentleman from Massachusetts [Mr. O'NEILL], all New Hampshirites share strongly in the desire to maintain and improve the site.

Few outside of New England realize that more patriots from New Hampshire than from any other State participated in this battle. Records of the day show that of the approximately 1,600 Colonial soldiers who fought at Bunker Hill, about 1,050 were from New Hampshire, 350 from Massachusetts—which then included what is now Maine—and 200 from Connecticut.

The only two full regiments were from New Hampshire, one of 506 men commanded by Col. John Stark, and one of 405 men under the command of Col. James Reed. These two regiments were stationed along the rail fence there reaching down to the Mystic River beach.

These records also show that still another group of between 90 and 100 New Hampshire soldiers were at the redoubt under the command of Colonel Prescott, who, while he was from Pepperell, Mass., had farm holdings extending across to Hollis, N.H. Of this group, 60 men were in Capt. Reuben Dow's company from Hollis, which lost eight men, more casualties than were suffered by any other community.

New Hampshire has also figured prominently in efforts to maintain the battlefield and monument there.

The present monument was constructed with donations from many Americans through the Bunker Hill Monument Association. But, although the cornerstone was laid June 17, 1825, it was not until June 17, 1843, that the monument was completed. And this was only after the dedicated and inspiring efforts of a Newport, N.H., woman who rescued the work. I refer to Sara Josephas Hale, who was editor of Ladies magazine and Godey's Lady's Book.

So much for the historical background. What of the present?

In 1919, the monument was turned over to the State of Massachusetts. Today it is maintained by the Metropolitan District Commission and, I regret to say, it is maintained in a nondescript, uneducational manner, lacking even a description of the battle itself.

Because of the national historic value and background in the site and the monument, the Bunker Hill Monument Association has urged passage of a bill such as we are proposing today. In 1966, the Massachusetts General Court memorialized the Congress to assume this responsibility. And Commissioner Whitmore, of the Metropolitan District Commission, has also urged its transfer to the National Park Service.

I urge that this bill be enacted and the desired transfer be effected so that New Hampshirites, Massachusetts residents and indeed the entire Nation, can once again look with pride on this monument to one of its most famous battles in its war for independence.

U.S. LABOR COURT BILL

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. GARDNER] may extend his remarks at his point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. GARDNER. Mr. Speaker, I join today with my colleagues in the House and Senate in introducing legislation to replace the National Labor Relations Board with a U.S. Labor Court. This court would decide cases on the basis of congressional policy and previous decisions, rather than on the basis of partisan politics as practiced by the NLRB. The present disposition of the board is to rely on changing policies and even to reverse their own decisions. These actions have resulted in an atmosphere of increasing confusion, unrest, and hostility.

In light of the present and increasing controversy that has developed between labor and management within the last few years, it is important that a strong and influential body be in existence to reconcile differences which arise. Such decisions, which define the limits and rules of labor-management conduct, should be as precise and predictable as other legal decisions that regulate our growing and maturing industrial sector. The creation of a labor court, composed of a body of 15 judges, would provide this stability in labor-management decisions.

The bill would establish a 15-judge U.S. Labor Court. Each judge would be appointed by the President with the advice and consent of the Senate for 20-year terms with the exception of original appointees, who would serve staggered terms. In addition, the general counsel of the NLRB would be replaced by an Administrator appointed by the President with the advice and consent of the Senate. Also, a total of 90 commissioners, appointed by the court, would replace the present NLRB trial examiners.

In the interest of justice and public confidence, it is important that our labor-management laws be interpreted and applied by persons of judicial temperament acting in a judicial atmosphere—by judges who are insulated from political and special interest pressures. It is for this reason that I introduce and support legislation to replace the NLRB with a U.S. Labor Court.

THE VIETNAM WAR: A COST ACCOUNTING

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. CURTIS. Mr. Speaker, the magnitude of defense expenditures attributable to the Vietnam war has provided a significant expansionary impact on our economy over the last 2 years. I have consistently urged the Congress to recognize that we cannot continue to increase domestic expenditures when we are fighting a major war abroad. Administrative budget expenditures will probably approach $145 billion in fiscal 1968, up $49 billion since fiscal 1965 when the Vietnam buildup began. In a period when defense expenditures have been abruptly rising by around 60 percent, domestic ex-

penditures—instead of being cut back—have been increased by around 40 percent.

The urgent need to cut back on expenditures has been denied by this administration. In order to encourage the Congress and the American people to believe that it is possible to have both guns and butter, the administration has continually underestimated expenditures—particularly defense expenditures.

Although the Congress is given responsibility for establishing the level of taxes and for appropriating money under our Constitution, the administration has withheld the necessary facts from the Congress to make intelligent decisions based on the Nation's fiscal and economic needs.

When pressed for information in the recent debt hearings on the true level of defense expenditures anticipated in fiscal 1968, Secretary Fowler stated that it was impossible to provide the Ways and Means Committee and the Congress with any data more recent than the January budget. Yet the New York Times recently reported that the economists of the business council, after "lengthy talks with Government officials in the Council of Economic Advisers, the Treasury Department, and other agencies," predicted that Vietnam war costs for fiscal 1968 would be $5 billion above the January budget estimate. Senator STENNIS, of the Senate Preparedness Investigating Subcommittee, has indicated that Vietnam expenditures for fiscal 1968 are underestimated by $4 to $6 billion.

This is a repeat performance of the shocking misrepresentation of Vietnam war costs by the administration all through 1966. When the administration submitted the budget for fiscal 1967 in January of 1966, it indicated that defense expenditures for Vietnam would be $10.3 billion. Despite the fact that increased expenditures for defense purposes and domestic programs drove interest rates to their highest level in 40 years, created massive inflation, depressed the construction industry, and caused severe economic dislocation, the administration refused to inform the Congress of the true level of expenditures. While professing to be concerned about congressional "add ons," the administration withheld essential facts about Government spending in order to mislead the Congress into enacting expensive new domestic programs that would certainly have been given a much lower priority if the true facts were known. As late as September of last year, the administration was adhering to its January budget estimates. At a press conference held in Johnson City, Tex., on September 8, 1966, the President, in referring to a message on fiscal policy sent to the Congress that day stated:

> We are hoping that in light of this message, and the prudent attention and consideration that the Congress will be giving the remaining eight bills, that they will be somewhere in reasonable proximity to the budget and the request that I made earlier; namely, a budget of $112 billion 800 million.

It was not until the fiscal 1968 budget was submitted in January of this year that the year-old fiscal 1967 expenditure figures were officially revised. It was then that the President told the American people and their representatives in Congress that defense expenditures attributable to Vietnam for fiscal 1967 would be $19.4 billion.

Mr. Speaker, 9 months before that—in April 1966—Fortune magazine carried an article entitled "The Vietnam War: A Cost Accounting." The opening paragraph of that article states:

> What happens in the U.S. economy over the next year or two, what happens to demand and production and prices and taxes, will to a large extent depend upon the cost of the Vietnam war. If anyone inside the Pentagon knows the current cost, he is not telling, nor, of course, is anyone there telling about costs associated with future operations. Accordingly, *Fortune* has undertaken on its own to figure out the cost—present and prospective—of the Vietnam war. It is already costing a lot more than almost anybody outside the Pentagon imagines.

The article goes on to make assumptions based on public statements of General Westmoreland, Secretary McNamara, and others, about the level of operations anticipated in Vietnam, and on the basis of this information the authors make their own estimates about the costs of the Vietnam war during fiscal 1967. Their conclusions were summarized in the following paragraph:

> In Fortune's calculation it was assumed that the 100 percent increase in U.S. servicemen in South Vietnam, from 200,000 to 400,000, would be accompanied by these less than proportionate increases: 50 percent in bombing and tactical air support operations; 10 percent a year in construction costs; 15 percent in military aid to South Vietnam.
>
> On these exceedingly conservative assumptions, the costs at 400,000 come to the resounding total of $21 billion a year.
>
> To calculate Vietnam war costs during fiscal 1967 it is necessary to make some assumptions about the pace of the buildup. *Fortune* assumed that U.S. forces in South Vietnam would increase to 250,000 men by this June 30, expand steadily to reach 400,000 as of December 31, and then remain at that level. On this basis the prospective Vietnam war costs during fiscal 1967 work out to $19.3 billion.

Although the article admitted that the costs of $19.3 billion might be more than the level of expenditures required, because Mr. McNamara could draw down on inventory during fiscal 1967 and replace it later, it pointed out that this option had been nearly used up. It is amazing to me that this $19.3 billion figure is only $100 million less than the $19.4 billion estimate the administration submitted 9 months later.

Mr. Speaker, I am today inserting the Fortune article in the CONGRESSIONAL RECORD so that the American people will know that reasonably accurate cost estimates can and have been made by those in possession of far fewer facts than the administration. I am also inserting an article from the New York Times describing the recent meeting of the business council I have referred to. The Congress and the American people can see that they are being denied critical budgetary facts again this year.

THE VIETNAM WAR: A COST ACCOUNTING

[Charts mentioned in article could not be reproduced for the RECORD]

(NOTE.—The cost analysis for this article was carried out by a team consisting of, in addition to Mr. Bowen: Alan Greenspan, president of Townsend-Greenspan & Co., consultants; P. Bernard Nortman, independent economic consultant; Sanford S. Parker, chief of Fortune's economic staff; and research associate Karin Cocuzzi.)

(By William Bowen)

The Vietnam war is peculiarly expensive, far more so than is generally thought. Costs are running above $13 billion a year, and are headed up. Fortune's figures suggest that we're in for bigger defense budgets—and new economic strains.

What happens in the U.S. economy over the next year or two, what happens to demand and production and prices and taxes, will to a large extent depend upon the cost of the Vietnam war. If anyone inside the Pentagon knows the current cost, he is not telling, nor, of course, is anyone there telling about costs associated with future operations. Accordingly, Fortune has undertaken on its own to figure out the cost—present and prospective—of the Vietnam war. It is already costing a lot more than almost anybody outside the Pentagon imagines.

At present, with about 235,000 U.S. servicemen in South Vietnam, the U.S. costs are running at a yearly rate of more than $13 billion. Costs, it should be observed at once, cannot be translated mechanically into expenditures; a drawdown on inventories involves a cost, but may not involve an expenditure for quite some time. Still, if the war continues at only the present rate through fiscal 1967 (the year beginning next July 1), the resulting Defense Department expenditures will probably exceed the $10 billion or so that the hefty 1967 defense budget officially allows for the Vietnam war.

But the war, it appears, will get bigger. U.S. Senators who know what Defense Department witnesses say in closed congressional hearings have predicted a U.S. buildup to 400,000 men, or more. General William C. Westmoreland, the U.S. commander in Vietnam, has reportedly requested a buildup to 400,000 by the end of December. With that many U.S. servicemen in South Vietnam, the cost of the war would run to $21 billion a year—even more if bombing and tactical air support increased in proportion to the buildup on the ground. At any such level the Vietnam war would bring on economic strains beyond what most economists appear to foresee, and beyond what makers of public policy appear to be anticipating. The strains would surely add to the pressure for higher taxes.

In its Vietnam cost accounting, Fortune had considerable help from outside economists, but no access to classified data. The basic sources were public documents—federal budgets, Defense Department publications, transcripts of congressional hearings. Defense Department officials interviewed were persistently wary of discussing the costs of the war, although the department proved willing to provide some missing bits of factual information that would otherwise have been unobtainable. It turned out that some costs—of ammunition, for example—could be easily calculated from published Defense Department figures. But getting at some other costs required elaborate calculations, and still others could only be estimated. Estimates and assumptions were in all cases conservative. The results, set forth by category below, represent what is probably the first serious effort outside the Defense Department to analyze the costs of the war.

The purpose of the undertaking was not to make a case against (or for) the fiscal 1967 defense budget, but to provide a basis for looking beyond the budget and assessing the potential economic effects of the war. In wartime no defense budget can sensibly be viewed as a hard forecast of defense spending. Actual expenditures during the fiscal year will be determined by unfolding events that no budgeter can foresee months in advance. So far as the economy is concerned, then, what counts is not budget pro-

jections but Defense Department orders and expenditures.

The costs and expenditures resulting from a war do not match up in the short run. They rise and decline in different trajectories. In the early phases of any war, the Defense Department can hold down expenditures by drawing upon existing forces and supplies, just as a business firm can temporarily reduce cash outlays by letting inventories dwindle, or a family can cut next month's grocery bill by eating up the contents of the pantry. Later on in the war, expenditures catch up with costs. It must be kept in mind that "expenditures," as used here, means *incremental* expenditures—those that would not be required if it were not for the war.

An idea of the movements of costs and expenditures and defense orders, and their changing economic effects, can be gathered from the following budgetary-economic scenario of a medium-sized war—i.e., a war not very different from the one in Vietnam.

A WAR IN FIVE ACTS

Act I. It looks like a small war, and it requires only smallish incremental expenditures. The forces sent overseas are members of the existing defense establishment, and the Defense Department would have to pay, feed, and otherwise provide for them if they were doing peacetime duties in Georgia instead of fighting guerrillas in a tropical republic. The weapons, ammunition, and equipment come from existing stocks. The extra expenses (hostile-fire pay, transportation) can be temporarily absorbed in the immensity of the defense budget, and the Administration does not have to ask Congress for supplemental appropriations to finance the war. It is being financed, in effect, through "reduced readiness"—that is, the U.S. has fewer trained men and smaller stocks of war matériel to deploy or use in any *other* contingencies.

Act II. The struggle has expanded, and the armed forces need extra inflows of men and matériel to compensate for the unexpectedly large outflows to the war zone. The Pentagon places contracts for additional arms, ammunition, equipment; it expands draft calls and recruitment efforts. the Administration asks Congress for supplemental appropriations. War expenditures are still only moderate, but with defense orders increasing and inflationary expectations beginning to stir, the war is already having noticeable effects upon the economy.

Act III. The U.S. buildup in the war zone has continued. The Administration has asked Congress for large supplemental appropriations. Spending still lags behind costs, but it is rising fast—the recruits in training have to be paid, and so do the additional civilians hired. The war's economic effects, moreover, are expansionary out of all proportion to the actual increases in defense spending: the surge in defense orders has increased demand for skilled workers, materials, components, and credit in advance of deliveries and payments. To some extent, the Defense Department's matériel buildup is being temporarily financed by the funds that contractors and subcontractors borrow from banks against future payments from the U.S. Treasury.

Act IV. The U.S. military buildup in the war zone tops out. Defense production continue to rise, but the *rate* of rise is much less rapid than in Act III, and the expansionary economic force exerted by the war begins to wane. Deliveries of arms, ammunition, and equipment rolling into military depots more than match the chew-up of matériel in the war, and so some replenishment of inventories takes place. Men are moving out of training and into operating units faster than forces are being sent overseas, and so there is a net buildup of trained, deployable military forces in the U.S. Expenditures catch up with costs.

Act V. The war ends. The drop-off in contract awards and the collapse of inflationary expectations reverberate throughout the economy. Far from falling steeply, expenditures continue to rise a bit before entering into a gradual decline: the incoming deliveries must be paid for, and the men brought into the armed forces must be provided for until they are mustered out. With deliveries no longer partly offset by wartime chew-up, inventories fill rapidly, and begin to overflow. During the period of readjustment, military manpower and military inventories exceed normal peacetime requirements. Expenditures for this excess readiness largely make up for the expenditures deferred through reduced readiness in the early phases of the war.

In January, 1965, the Vietnam war was still in Act I, and to all appearances nobody in the Administration expected an Act II. The President's budget message declared that, with the "gains already scheduled," U.S. military forces would "be adequate to their tasks for years to come." The new budget projected a *decrease* in defense spending in fiscal 1966, and a *decline* in total uniformed personnel. Major General D. L. Crow, then controller of the Air Force, subsequently testified at a congressional hearing that "the guidelines for the preparation of the budget as they pertain to Vietnam were actually a carry-forward of the guidelines that were used in the preparation of the 1965 budget, and they did not anticipate increased activity, per se, in Vietnam."

IT'S NOW ACT III

Not until last May was it entirely evident that Act II had begun, but there were intimations earlier. In January, 1965, after declining for four consecutive quarters, the Federal Reserve Board index of "defense equipment" production turned upward, beginning the precipitous climb depicted at the bottom of the page opposite. In February the U.S. began bombing targets in North Vietnam. In March the decline in Army uniformed personnel came to a halt, though the downtrend continued for a while in the other services. In April the U.S. buildup in Vietnam accelerated. In May the Administration asked for, and Congress quickly voted, a supplemental fiscal 1965 appropriation of $700 million. In June the decline in total uniformed military personnel turned into a steep rise.

The Vietnam war is now well along in Act III of the budgetary-economic scenario. Since that $700-million request in May, 1965, the Administration has asked for $14 billion in supplemental war appropriations. Soaring orders for ammunition and uniforms have contributed to shortages of copper and textiles for civilian use. So far, however, the costs of the war have been largely channeled into reduced readiness. The war reserve of "combat consumables" has been drawn down. New equipment and spare parts that otherwise would have gone to units elsewhere have been diverted to Vietnam—Iroquois helicopters, for example, that would have gone to the Seventh Army in Germany. Fixed-wing aircraft to replace losses in Vietnam have been ordered, but not yet fully delivered and paid for. The war has required only moderate incremental expenditures (that must be understood, however, to mean "moderate" as war expenditures go—a few billion dollars). But as deliveries roll in and the armed forces expand, expenditures will begin to catch up with the war's far from moderate costs.

In numbers of U.S. servicemen deployed, the Vietnam war is not as big as the Korean war at its peak. But costs per man run much higher than they did in the Korean war. The pay that servicemen get has gone up more than 40 percent since then. Some materiel costs have risen very steeply since Korea. The F–86D fighters in Korea cost about $340,000 each; the F–4C's in South Vietnam cost nearly six times as much. Ammunition use per combat soldier is very much higher than in the Korean war. The M–14 rifle fires up to 150 rounds per minute, and ten rounds per minute at a sustained rate. The M–16, carried by some Special Forces troops, can use up ammunition at a full-automatic rate of 750 rounds per minute. The M–79 grenade launcher fires grenades as if they they were bullets.

The nature of the war contributes to making it peculiarly expensive for its size. Technologically sophisticated military forces, magnificently equipped to kill and destroy, are inefficiently employed against meager or elusive targets. In Korea, there were visible masses of enemy forces to shoot at, and the U.S. superiority in weapons could be exerted efficiently; in Vietnam the enemy hits and runs, moves under cover of darkness or foliage. With their abundant firepower, the superb U.S. fighting men in South Vietnam clobber the Vietcong in shooting encounters, but the U.S. forces run up huge costs—in troop supplies, fuel, helicopter maintenance—just trying to find some guerrillas that they can shoot at.

FIRING INTO A CONTINENT

There is an almost profligate disparity between the huge quantities of U.S. bullets and bombs poured from the air upon targets in Vietnam and the military and economic damage the bullets and bombs do, in the aggregate. In North Vietnam the U.S. has debarred itself from attacking economically valuable targets such as port facilities and manufacturing plants. From bases in Thailand, F–105's fly over North Vietnam and drop their mighty payloads on or near roads, rail lines, ferry facilities, bridges. The costs to the enemy of repairing the damage are picayune compared to the costs to the U.S. of doing the damage. In South Vietnam the guerrillas seldom present concentrated targets. Machine guns mounted on helicopters and on A–47's (elderly C–47's, modified and fitted with three guns) fire streams of bullets into expanses of jungle and brush that are believed to conceal Vietcong guerrillas. The thought of an A–47 firing up to 18,000 rounds per minute into treetops brings to mind that bizarre image in Joseph Conrad's *Heart of Darkness*, of the French warship off the African coast: "There wasn't even a shed there, and she was shelling the bush . . . firing into a continent."

B–52's, operating at a cost of more than $1,300 per hour per plane, fly a ten-hour round trip from Guam to South Vietnam to strike at an enemy that has no large installations or encampments visible from the air. The B–52's have been fitted with extra racks that increase their payloads to more than sixty 750-pound bombs, about $30,000 worth of bombs per plane. "The bomb tonnage that is resulting is literally unbelievable," said Secretary McNamara at a Senate hearing last January. Several weeks later, at a press conference, he said: "Our consumption in February . . . of air-delivered munitions alone in South Vietnam was two and a half times the average monthly rate in the three years of the Korean war." But much of that "literally unbelievable" bomb tonnage merely smashes trees and blasts craters in the earth.

Only a rich nation can afford to wage war at ratios so very adverse. But the U.S. *is* a rich nation. If there is a great disparity between the bomb power dropped and the economic value of the targets, there is also a great disparity between the wealth and power of the U.S. and of the enemy. The cost of the bombs is small in relation to the G.N.P. of the U.S., and the damage they do is sometimes substantial in relation to the G.N.P. of North Vietnam, or to the resources available to the Vietcong. But the costs of winning are going to be unpleasantly large.

The official position of the Defense Department is that it does not know what the costs of the war are, and that it does not even try to compute them. As a Pentagon

official put it: "We have no intention of cost-accounting the war in Vietnam. Our business is to support the conflict there. Our business is not cost accounting. We have no estimates of costs. It's not practical to say the war has cost x dollars to date."

The Defense Department argues that the war costs are commingled with those of a military establishment that existed before the U.S. troop buildup in South Vietnam began. And that, of course, is true. Still, a meaningful total can be arrived at by analyzing and adding up the various war costs, regardless of whether they translate immediately into added expenditures. One way or another, we may assume, all costs will result in either added expenditures or reduced readiness, and in the reckoning of the costs it does not matter which, or when, or how.

Fortune's first objective was to arrive at an approximation of annual costs at the early-1966 level of 200,000 U.S. servicemen in South Vietnam. The results of that analysis can serve, in turn, as a basis for calculating costs at higher levels of buildup. In what follows, costs are divided into standard categories—military personnel, operation and maintenance, and procurement—that the Defense Department uses in its budgeting. To outsiders, the department's assignment of expenses to these categories sometimes seems a bit arbitrary. Some clothing is funded under personnel and some under operation and maintenance; ordinary repair parts are funded under O. and M., aircraft "spares" under procurement.

INSIDE AND OUTSIDE THE THEATRE

Military personnel. As noted, the fiscal 1966 defense budget, submitted in January, 1965, projected a moderate *decline* in total uniformed military personnel ("active forces"), from about 2,663,000 at that time to 2,640,000 as of June 30, 1966. Actually, the decline proceeded so briskly that the total got down to 2,641,000 in May, 1965. Since then the Defense Department has announced plans to *increase* military personnel to 2,987,000 by next June 30, and to add on another 106,000 by June 30, 1967; by the latter date, the total would be 452,000 above the May, 1965, low point. In addition the department is expanding the civilian payroll by about 100,000 during fiscal 1966, and many of these civilians will take over work previously done by servicemen, freeing them for other duties.

It might appear that these figures could serve as a basis for calculating the personnel costs attributable to the Vietnam war. But it is impossible, without knowing the Defense Department's classified plans and assumptions, to relate the announced personnel increases to any particular force level in South Vietnam. And to have any meaning, statements about the cost of the Vietnam war must be related to specified force levels. Here we are trying to get the the cost of the war at a particular level—200,000 U.S. servicemen in South Vietnam. For this reckoning, the war personnel costs may be taken as the combined personnel costs of (1) the 200,000 men in Vietnam, (2) the peripheral supporting forces in Southeast Asia, and (3) the required backup forces. The Defense Department defines personnel costs as pay and allowances, subsistence (chow), personal clothing (the "clothing bag" issued to each recruit), plus certain other expenses. Average personnel costs in the armed forces run to $5,100 per man per year, but the men in South Vietnam get "hostile-fire pay" of $65 a month, and other war costs boost the average to about $6,200. So, 200,000 men at $6,200, or $1,240,000,000.

The peripheral supporting forces—mainly aboard Seventh Fleet ships and at bases in Thailand—numbered at least 50,000 last winter, when the U.S. force level in South Vietnam reached 200,000. That's 50,000 men at $6,200 a year, or $310 million.

Each thousand U.S. servicemen stationed overseas under non-war conditions have on the average about 600 other servicemen backing them up: trainees, transients, men serving in supply units or performing various auxiliary functions. But it takes far more than 600 men to back up a thousand men deployed in South Vietnam. Additional supply men are required to keep the huge quantities of arms, ammunition, equipment, and supplies moving into the theatre of war. The men serving there are rotated home after a one-year tour (a three-year tour is normal for U.S. forces in Western Europe), and additional trainees are needed to support the rotation. Extra backup men are needed, also, to make up for the erosion resulting from deaths, severe injuries, and tropical ailments. In the course of a month, large numbers of men spend some days or weeks in transit to or from South Vietnam. And additional men in training require additional men to train them. With all the additions, it works out that there is a ratio of one to one, or 1,000 to 1,000 between servicemen in the theatre of war and servicemen outside the theatre but assignable to the war as elements of cost.

For the 250,000 men in Vietnam and vicinity, then, there will be 250,000 others elsewhere. Since some of these are new recruits, the average personnel cost is taken to be only $4,700. That makes another $1,175,000,000, bringing total personnel costs to $2,725,000,000.

KEEPING THEM FLYING

Operation and maintenance. This category is even more capacious than its name suggests. It includes everything that does not fall into other categories—recruitment, training, medical care, repairs, operation of supply depots, transport of goods, and, in the official expression, "care of the dead." A great many of those additional civilians hired by the Defense Department in the last several months are working in O. and M.

In fiscal 1965, O. and M. for the entire armed forces averaged out to $4,630 per man. For 500,000 men that would come to $2,315,000,000. But the Vietnam war entails extraordinary O. and M. expenses. Planes there fly a lot more hours per month than they normally do, and the extra O. and M. involved in keeping them flying runs at a rate of more than $200 million a year. Extra repair and maintenance are required to keep vehicles moving and equipment working. An enormous logistic flow must be coped with—more than 700,000 tons a month. The shipping costs to Vietnam amount to $225 million at a yearly rate. Combat clothing gets ripped up in the bush, deteriorates rapidly in the moist tropical heat. And, of course, extra medical care per man is needed in a tropical war. When all the extra O. and M. costs involved are added together, the total, by a conservative reckoning, comes to $1 billion. That brings the over-all O. and M. costs to $3,315,000,000.

Procurement, i.e., matériel costs. As reckoned here, these are taken to be the chew-up in the war zone rather than the additional procurement resulting from the war. Ammunition and aircraft losses together account for more than 75 percent of materiel costs, and for both categories the costs can be calculated with some statistical precision.

McNamara reported last January that U.S. ground forces in South Vietnam, including Army and Marine helicopter units, were "consuming ammunition at the rate of about $100 million per month," and that U.S. air forces were using up "air munitions" (mostly bombs) at the rate of about $110 million per month. That works out to a combined rate of $2.5 billion a year. At that time there were about 190,000 U.S. servicemen in South Vietnam, so for the calculation of costs at the 200,000-man level, the figure has to be adjusted upward a bit, to $2,650,000,000.

In testifying at congressional hearings, McNamara and other Defense Department witnesses furnished numerous bits of information about U.S. aircraft operations in the Vietnam war, including losses in 1965 and numbers of sorties over various periods (one flight by one plane counts as one sortie). Sorties per month increased dramatically during 1965, and despite low loss rates per 1,000 sorties, losses added up to large numbers over the course of the year: 275 fixed-wing aircraft lost as a result of "hostile action" alone, and 177 helicopters lost, 76 as a result of "hostile action," 101 in accidental crashes and other mishaps. Assuming continuation of 1965 ratios between sorties and losses, estimated annual attrition at a 200,000-man force level works out, in rounded figures, like this: 475 fixed-wing tactical planes at $1,800,000 equals $855,000,000; 165 other fixed-wing planes (transport, observation) at $200,000 equals $33,000,000; 320 helicopters at $250,000 equals $80,000,000; for a total of $968,000,000.

A figure for aircraft spares was arrived at by first calculating total flying costs of the aircraft operations (information on average flying costs per hour for various types of military aircraft is available). That came to $800 million a year. Spares represent, on average, 20 percent of flying costs, which comes to $160 million. With the addition of a minimal $25 million to allow for spares required to repair planes hit by enemy fire, the total for aircraft spares comes to $185 million.

Little information is available about matériel chew-up, apart from ammunition and aircraft. In the absence of direct evidence, however, Defense Department procurement orders provide a basis for rough estimates. It is assumed—and this is a bit of a leap—that the annual attrition of weapons, vehicles, and equipment is equivalent to one-third of the increase in procurement orders in those categories (as measured by the increase in prime contract awards from the second half of 1964 to the second half of 1965). From that procedure emerges a round figure of $600 million for attrition of hard goods other than aircraft, ammunition, and ships (in effect, ship losses are assumed to be zero). That brings total procurement to $4.4 billion.

The three categories together—military personnel, O. and M., procurement—add up to $10,440,000,000. That is the approximate annual cost of the U.S. operations in the Vietnam war at the 200,000-man level reached early this year. To that figure must be added support for South Vietnamese military forces. (For fiscal 1967, military assistance to South Vietnam will be included in the defense budget.) Counting supplemental requests, total military aid to South Vietnam comes to more than $1 billion in the current fiscal year. In the early 1960's, military aid to South Vietnam ran to something like $100 million a year; the $900-million difference can be considered a Vietnam war cost. In addition, the U.S. pays $50 million to help support South Korean forces in South Vietnam.

Much of the $1.4 billion that Congress has appropriated in fiscal 1966 for military construction in Southeast Asia has to be counted as part of the Vietnam war cost. According to Secretary McNamara's testimony at a Senate hearing, all of the contemplated construction "is associated with the operations in South Vietnam." Some of the facilities may have military value to the U.S. after the war is over, but it seems reasonable to suppose that at least $1 billion of the planned construction would not have been undertaken had it not been for the war. If that is spread over two years, construction adds $500 million a year to the cost of the war.

That brings the grand total to $11.9 billion a year. This figure does not allow for an important deferred cost, depreciation of equipment. Since the Defense Department does not pay taxes or operate in terms of profit and loss, the business-accounting con-

cept of depreciation is hard to apply, but the wearing out of equipment is a reality whether it is cost-accounted or not. This wear-out is a separate cost from the additional maintenance and repair required to keep planes and ground equipment operating in the Vietnam war. Tactical planes and Military Airlift Command planes involved in the war are flying 60 percent more hours per month than they normally do in peacetime, and even with extra maintenance their useful lives are being shortened. The consequences will show up in future defense budgets.

In addition, the war imposes substantial nonmilitary costs that are not included in the $11.9 billion (or in the other war-cost figures that follow). U.S. economic aid to South Vietnam, for example, leaped from $269 million in fiscal 1965 to $621 million in the current year.

MORE MEN FOR PATROL, SEARCH, PURSUIT, ATTACK

The $11.9 billion may be taken as the annual military cost of sustaining the war with 200,000 U.S. servicemen in South Vietnam—the level reached around February 1. Given that yardstick, it is a relatively simple matter to cost out the present level (about 235,000 in South Vietnam). It can be assumed that costs have increased since February in direct proportion to the buildup, except that construction costs and military aid to South Vietnam remain unchanged. So calculated, the current cost works out, at an annual rate, to $13.7 billion—the "more than $13 billion" mentioned at the beginning of this article.

Efforts to project costs at very much higher levels of buildup run into some uncertainties. Costs at the 400,000-man level—the level General Westmoreland is reportedly aiming for by the end of this year—would not be double those at 200,000. For one thing, the expansion of U.S. forces will itself tend to alter the character of the war. Indeed, it has already. The widening U.S. superiority in firepower forced the enemy to cut down on direct assaults by battalions and regiments and revert pretty much to guerrilla warfare. As the number of G.I.'s in South Vietnam increases, the forces needed to guard the coastal enclaves will not have to increase proportionately, so a larger percentage of the total combat-battalion strength will be available for patrol, search, pursuit, and attack operations. Some costs, as a result, will increase faster than the number of U.S. servicemen in South Vietnam—e.g., FORTUNE has assumed a 5 percent increase in the rates of ground and helicopter ammunition use per 100,000 men.

But in some respects costs would not nearly double as we built up to 400,000. The existing construction plans, for example, provide for port facilities, roads, and installations beyond current requirements. Costs of supporting South Vietnamese forces would not double either—South Vietnam's military and paramilitary forces already number about 600,000 men, and an increase of even 50 percent could not be squeezed out of a total population of 16 million. (An increase to 670,000 has been announced, however, and some upgrading of the military equipment and supplies furnished by the U.S. will undoubtedly occur.) Bombing and tactical air support operations would probably not double either: lack of runways would prevent that large an expansion.

In FORTUNE'S calculation it was assumed that the 100 percent increase in U.S. servicemen in South Vietnam, from 200,000 to 400,000, would be accompanied by these less than proportionate increases:

50 percent in bombing and tactical air-support operations;

10 percent a year in construction costs;

15 percent in military aid to South Vietnam.

On these exceedingly conservative assumptions, the costs at 400,000 come to the resounding total of $21 billion a year.

To calculate Vietnam war costs during fiscal 1967 it is necessary to make some assumptions about the pace of the buildup. FORTUNE assumed that U.S. forces in South Vietnam would increase to 250,000 men by this June 30, expand steadily to reach 400,000 as of December 31, and then remain at that level. On this basis the prospective Vietnam war costs during fiscal 1967 work out to $19.3 billion.

USED-UP OPTIONS

The $58.3-billion defense budget for fiscal 1967 includes, by official reckoning, $10.3 billion in expenditures resulting from the Vietnam war. With a buildup to 400,000 in fiscal 1967, war expenditures during the year would greatly exceed this figure, but would not necessarily boost total defense spending as much as $9 billion. For one thing, Secretary McNamara can cut somewhat further than he already has into programs not directly connected with the war.

But not very far; McNamara's options for deferring expenditures in fiscal 1967 have been pretty well used up. The 1967 defense budget shows a total of $1.5 billion in cutbacks in military construction, strategic-missile procurement, and other non-Vietnam programs. In view of McNamara's economizing in recent years, there cannot be much leeway left for deferrals. The Secretary himself said not long ago that in shaping the 1967 budget he had deferred "whatever can be safely deferred," which suggests that there is *no* leeway anymore.

He has also largely used up the options for restraining expenditures by drawing down inventories and reducing trained forces outside the war theatre. McNamara has vigorously insisted that "we have a great reservoir of resources," and he is undoubtedly right about that, especially if "a great reservoir" is interpreted to include the potential capacity of the U.S. economy to produce military goods. But he has overstated his case by arguing, in effect, that the Vietnam war has not reduced readiness at all (". . . far from overextending ourselves, we have actually strengthened our military position"). Counting peripheral supporting forces, the U.S. now has about 300,000 men deployed in the Vietnam war theatre, and (in keeping with that one-to-one ratio) another 300,000 men are committed to backing them up. That makes 600,000 men unavailable for other contingencies. Since the low point in May, 1965, U.S. military manpower has increased by approximately 400,000 (this figure allows for substitution of civilians for uniformed personnel), and a lot of those 400,000 are men still in training. It would be remarkable indeed if all this had somehow "strengthened our military position."

Nor is there much left to draw down in military inventories. As shown in the middle row of charts on page 121, Defense Department expenditures for procurement declined sharply in fiscal 1965—by $3.5 billion, in fact. This decline in procurement apparently contributed to the Army shortages (of repair parts, communication equipment, helicopters, and trucks, among other things) discovered early last year by investigators of the U.S. Senate's Preparedness Investigating Subcommittee, headed by Mississippi's Senator John Stennis. Pentagon witnesses tried to explain that the "shortages" were mere routine gaps between reality and ideal tables of equipment. But at one point South Carolina's Senator Strom Thurmond pinned down two Pentagon generals in this exchange:

Senator THURMOND: You have not denied those shortages, have you, General Abrams . . .?

General ABRAMS: No.

Senator THURMOND: And you have not, General.

General CHESAREK: No.

Senator THURMOND: You do admit the shortages?

General CHESAREK: Yes, sir.

The combination of rising Vietnam requirements and thin, declining inventories led last year to surges in military production and orders *far beyond what can be inferred from the official estimates of expenditures attributable to the Vietnam war.* In the second half of calendar 1965, Defense Department prime contract awards ran $3.3 billion ahead of the corresponding period of 1964—$6.6 billion at an annual rate. In contrast, the Defense Department estimates fiscal 1966 *expenditures* for the Vietnam war at only $4.6 billion. Anyone trying to catch an intimation of things to come might do well to keep an eye on *orders,* rather than expenditure estimates. Orders are for real: if you want the stuff delivered in time, you've got to order it in time. But expenditure estimates are not binding upon anybody.

TRYING TO AVOID THE PILE-UP AT THE END

Since they are not for real, budgetary expenditure estimates are an exceedingly unreliable guide to the future. A better guide can be found in requests for *appropriations.* For the the fiscal years 1966 and 1967 combined, the Defense Department has estimated Vietnam war expenditures at $15 billion, but for the same two fiscal years the department has already requested approximately $23 billion in Vietnam war appropriations.

Big as they look, however, these requests for war appropriations will almost certainly be added to long before the end of fiscal 1967. That probability can be inferred from on-the-record statements by Secretary McNamara and other Defense Department witnesses at congressional hearings.

The Defense Department has based its requests for war appropriations not upon a forecast of what will actually happen in the Vietnam war, but upon what a Pentagon official calls "calculated requirements." In calculating the "requirement" for any procurement item, the department considered the lead time—how far ahead you have to order the item to have it when you need it. For complex or precisely tooled military hardware, lead times may run to a year or more, and for such items—particularly aircraft and aircraft spares—the department allowed fully for expected losses and use-up to the end of fiscal 1967. But for items with shorter lead times, requirements were calculated tightly, on the assumption that later on they could be revised and McNamara could ask for supplemental appropriations.

Supplemental appropriations have come to be viewed as natural in wartime. And McNamara's policy of asking for funds "at the last possible moment," as he puts it, has its merits. By following that policy he hopes to avoid "over-buying" and any pile-up of surplus matériel at the end of the war. (When the Korean war ended, the military establishment had billions of dollars worth of excess goods in stock or on order.) But the policy implies that the Defense Department will have to ask for more funds before the end of fiscal 1967 unless there is some unexpected abatement in the war.

Of necessity, the 1967 defense budget was constructed upon working assumptions about how big the war will get and how long it will last, and given all the uncertainties, these cannot be expected to coincide with the realities. In estimating expenditures and appropriations for fiscal 1967, the Defense Department assumed that U.S. "combat operations" in Vietnam will not continue beyond June 30, 1967. In keeping with that assumption, the 1967 budget does not provide funds for orders of aircraft or other military goods to replace combat losses after that date. Here again the assumption implies that the Defense Department will need supplemental appropriations in fiscal 1967 if the war continues at even the present rate.

McNamara has not said in public what U.S. force level in South Vietnam is allowed for in the 1967 budget, and the explanations he has offered at congressional hearings have been deleted by Pentagon censors. But at a Senate hearing in January, General John P. McConnell, the Air Force chief of staff, indicated that, for the Air Force at least, the appropriations requested so far allow for little or no expansion of the war beyond the 200,000-man level. Said McConnell in reply to a question concerning the adequacy of the funds requested: "We don't have any problem if the war continues at about the same rate as now, Mr. Chairman."

These budgeting assumptions expressed and implied by McNamara and other Pentagon witnesses lead to a strong inference: by next January, if the war continues unabated until then at even the present rate, the Defense Department will have to ask for supplemental appropriations for long-lead-time items required in fiscal 1968 and shorter-lead-time items required in the last months of fiscal 1967. Some months before next January, indeed, perhaps this summer, the department will have to begin ordering very-long-lead-time items in anticipation of fiscal 1968 combat losses.

MOUNTING ASTONISHMENT AT THE BAD NEWS

It follows that if the U.S. buildup in South Vietnam proceeds to a much higher level, the supplemental requests will run into many billions before the end of fiscal 1967. And since the military establishment will have to procure a lot of additional equipment and supplies and bring in a lot of additional men, defense expenditures will rise billions of dollars above the estimate submitted last January.

So the 1967 budget barely begins to suggest the level of Vietnam war spending that probably lies ahead. The budget is not misleading once its rather sophisticated underlying assumptions are understood; but the assumptions are *not* widely understood, and the Administration has not made much of an effort to see that they are. There is likely to be mounting astonishment this year and next as the bad news about the war's costs and the implied message about taxes and inflation sink in. It's a good bet that Americans will still consider the war worth winning. There is no reason for them not to know its cost.

VIETNAM REQUIREMENTS ARE PUSHING U.S. ARMED FORCES OVER THE 3-MILLION LEVEL

In keeping with Secretary McNamara's long-range plans, the total number of U.S. military personnel shrank in the latter half of calendar 1964, and the shrinkage continued until May, 1965, even after the buildup of U.S. forces in South Vietnam had begun. But after May the military-personnel curve rose steeply. By the end of June, 1967, according to plans already announced, the armed forces will have 452,000 more men than they had at the May low. As the chart shows, far more men have been added to the armed forces since May, 1965, than actually have been sent to Vietnam since then. A main reason for the disparity is that it takes a serviceman outside the theatre of war to support one in Vietnam.

After trending upward from 1956 on, total U.S. military expenditures fell in fiscal 1965, and as the layer chart at left shows, the drop resulted mainly from a decline in procurement; there was also a decline in the "other" category, mainly in spending for research and development and military assistance. The four charts to the right constitute a closer look at the shift in procurement—a shift away from heavy spending for strategic missiles and toward more for "limited-war" capabilities, especially for "ordnance, vehicles & related equipment." Spending for aircraft, after a ten-year decline, has surged upward as a result of Vietnam.

DEFENSE PRODUCTION SOARS

Both lines of this chart show quarterly changes, seasonally adjusted. Arms production as measured by the Federal Reserve Board "defense equipment" index (main components: military aircraft, ordnance, Navy ships) rose during 1961, the first year of McNamara's stewardship, remained on a bumpy plateau in 1962 and 1963, declined in 1964, then moved into a spectacular upswing beginning in the first quarter of 1965. By January, 1966, the index had reached 126 percent of the 1957–59 average, indicating that the Vietnam war has already had a substantial impact on the economy. Contracts normally precede production, and so the commitment line normally moves up (or down) months ahead of the production line, but in 1965 there was an extraordinary switch in this relationship. The reason is that arms production was pushed upward by a surge in precontract "letter contracts" from the Defense Department—a sign of urgency.

[From the New York Times, May 13, 1967]

ECONOMISTS FIND 1968 WAR BUDGET $5 BILLION SHORT—REPORT TO BUSINESS COUNCIL FORESEES VIETNAM COSTS REACHING $26.9 BILLION—TAX INCREASE FAVORED—A $15-BILLION FEDERAL DEFICIT AND DECLINE IN CORPORATE PROFITS ARE PREDICTED

(By Eileen Shanahan)

HOT SPRINGS, VA., May 12—The cost of the war in Vietnam is likely to rise next year by $5-billion over the Administration's current official estimates, a group of business economists predicted today.

The forecast, made after extensive consultations with Government officials, has no public backing from any Government source.

The predicted increase would raise the cost of the war to $26.9-billion in the 1968 fiscal year, which begins next July 1.

The increased war costs, coupled with some other adverse budgetary developments, will raise the budget deficit for the new fiscal year from an official estimate of $8.1-billion to between $15-billion and $18-billion, the business economists predicted.

Government officials have publicly given no indication that they consider any such increase in war costs to be likely. There have been no official revisions of the $21.9-billion Vietnam war expenditure figure contained in the President's budget message of last January.

BUILD-UP BEING CONSIDERED

The possibility of accelerating the build-up of forces in Vietnam beyond the schedule made public in January is currently under discussion within the Administration, however, although the decision is believed not to have yet been made.

The prediction of the large increase in war costs was given today to a group of the nation's leading business executives by a committee of economists who work for their companies.

The economists prepare such a forecast for their chiefs twice a year, after lengthy talks with Government officials in the Council of Economic Advisers, the Treasury Department and other agencies.

The report was presented to members of the Business Council by Ralph Lazarus, president of the Federated Department Stores, Inc., who is chairman of the Business Council's Committee on the Domestic Economy.

The council is an organization of some 120 men, most of them the heads of large corporations, who advise the Government on policy issues.

Mr. Lazarus did not detail the reasons for the expected $5-billion military budget increase other than to label it "for Vietnam escalation." He added that the $5-billion figure was "very conservative—the lowest figure we've heard."

He declined to specify which Government officials the economists had talked to or the extent to which the $5-billion figure may have been based on Government estimates.

Senator John Stennis, Democrat of Mississippi who is a member of the Senate Armed Services Committee, recently estimated that Vietnam spending next year would go up by $4-billion to $6-billion over the Administration's estimate.

At least one Government official who talked to the business economists confirmed in a telephone interview today that he had mentioned the Senator's figure to the group. He said, however that the conversation on this point was purely hypothetical—concerning what the economic impact would be if Senator Stennis's figure was right.

For the present fiscal year, which ends June 30, the Government's original estimate of the cost of the war in Vietnam is now expected to fall $10-billion short of the actual expenditures.

The original estimates, however were based on the assumption that the war would end during the fiscal year, a factor that accounted for much of the error. For next year, no such assumption about the end of the war was made.

The Administration's deficit estimate in the January budget was $8.1-billion. The business economists added $5-billion in expenditures for the war and subtracted $2.5-billon for lower tax collections that they expect this year because of lower corporate profits. With these calculations the deficit would be raised to more than $15-billion.

If, in addition, Congress refused to enact the 6 per cent tax increase that President Johnson has proposed, the deficit would be raised more than $18-billion, the business economists said.

The economists favored the tax increase—as did a number of the corporate executives—but said it should be put into effect on October, rather than in July, as the President originally asked.

TAX-RISE DELAY BACKED

The delay in raising taxes was seen as desirable because the economy is currently going through a period of softness.

The business economists felt, and the corporate executives generally agreed, that business would start to turn up again by the final quarter of this year, possibly earlier.

Mr. Lazarus said that he personally was for the proposed tax increase for just this reason.

The chairman of the business council, Albert L. Nickerson, chairman of the board of the Mobil Oil Corporation, also indicated his agreement with the tax increase plan. He said that the inflationary pressures that were "latent" during the first quarter, while business was sluggish, would probably revive in the latter part of this year.

Mr. Lazarus described the period of slight business slowdown that the economy has encountered this year as not a recession but a "minicession—which means that it is short but interesting."

Fred J. Borch, president of the General Electric Company, said that he thought the problem of businesses getting rid of excessive inventories—which has been seen by Government and private economists alike as the main economic problem this year—"will be behind us more quickly than most people think."

LEGISLATION ON LABOR-MANAGEMENT RELATIONS IN THE FEDERAL SERVICE

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to

the request of the gentleman from Oregon?

There was no objection.

Mr. CURTIS. Mr. Speaker, governmental agencies should not be excepted from generally recognized standards procedures, and methods of sound employee-management relations. Indeed, practices which have insured fair and impartial consideration of employees' views on working conditions, and provided effective methods of adjusting grievances, may be even more necessary in Federal agencies than in private firms. Five years ago, efforts were made, through Executive Order No. 10988, to provide recognition of postal unions and unions of other Federal employees. It is my understanding from discussions with various representatives of Federal employee organizations that these efforts were not very successful. The reason, I am informed, lay in the inability to enforce the Executive order due to lack of sanctions.

If sanctions are needed it falls on Congress, not the administration, to provide them. The purpose of the bill I am introducing today is to make effective Executive Order No. 10988, making recognition of properly constituted Federal employee organizations mandatory, and to provide for grievance procedures just as in the private sector. This bill will leave unaffected prohibitions on Federal employees' right to strike as it must, and will not concern itself with the ultimate aspects of collective bargaining in the area of wages.

I hope that consideration will be given in the Congress to the question of effectively implementing labor-management relations in the executive branch. For this purpose I am introducing this bill, which is similar to bills introduced by several of my colleagues.

Mr. Speaker, in addition I would like to insert in the RECORD my remarks delivered before the Subcommittee on Union Recognition of the House Committee on Post Office and Civil Service in 1958. In 1958 the subcommittee did not report out a bill to the House. Nevertheless, because of the identity of the issues, I would like to insert the statement in the RECORD at this time.

STATEMENT OF CONGRESSMAN THOMAS B. CURTIS BEFORE SUBCOMMITTEE ON UNION RECOGNITION OF THE HOUSE COMMITTEE ON POST OFFICE AND CIVIL SERVICE

I am grateful to this Sub-Committee to allow the insertion of my remarks in the record. I am quite concerned and have been for some time with respect to postal employee problems and particularly with reference to the question of Union recognition. I am convinced that this needed recognition will greatly improve the employment practices in the Federal government.

Some people have stated that the postal service does not offer the same advantages paywise and as a career that exists in private employment for commensurate skills. Certainly it appears from an analysis of the skills needed in the postal service compared with the same type skills in private employment that the postal service in a high cost area like St. Louis is not in a competitive position either in starting salaries or in overall career possibilities. The present legislation is a start in the right direction, but there is still a lot to be accomplished in this area.

You are presently studying a set of bills which provide for union recognition. It is to this important question that I wish to direct my remarks.

It certainly behooves the Federal Government not only to have good employment practices itself but it actually should be a leader rather than a tardy follower of private enterprise. There was a time when a career in the postal service was a mark of distinction. Perhaps this is still true although the old-time postal workers as well as the newer ones state that this is no longer so. Certainly the recruitment experiences in St. Louis in the past few years indicate that it is no longer true. This has serious implications for the future, not only of the people who have embarked upon careers in the postal service, but also for the public which counts upon speedy, efficient and courteous service from the Postal Department.

I am satisfied that a basic error in the employment practices of the Post Office Department is the failure to recognize and deal with union leaders of the postal employees' own choosing. I cannot understand why the postal unions have not received full and adequate recognition long before now. The union leaders have been fair in their approach by recognizing a basic truth that there can be no right of strike against the Federal Government. For the workers not to have the right through representatives of their own choosing to discuss employment practices with those who are responsible for administering the postal service is not only archaic, but stupid. The people who best know working conditions and who best can give suggestions for improving them are the workers themselves. I have many times stated that if unions did not exist smart management would create them as a part of good employment organization.

The basic problems that exist in the wage scales of the postal employees seem to arise from the fact that wages in the postal service are fixed on a national basis, and that job classifications are likewise national in scope. The reclassification of jobs is a never-ending one in a well-run modern-day organization. With automation moving at the pace it moves, constant reclassification becomes even more significant. Workers' organizations are of the greatest help in carrying on this task of reclassification. Yet the Federal postal service does not avail itself to any real extent of the help that the unions could give them in this area.

Rather than get into the many details of good employment practices at this time, I prefer to again emphasize that recognition of unions of the workers' own choosing is the best way to be certain that the new techniques in employment practices are adopted and utilized by the Post Office Department. It is no wonder to me that we have not gone as far and as fast as private enterprise in the postal services with the archaic benevolent despotism existing under the present procedures. Our postal workers in effect have not been permitted to participate in making the postal service better and more efficient as have employees in private enterprise through the technique of good and strong labor unions led by dedicated and forward-looking labor leaders.

I have said before and now reaffirm because of its real pertinence to the matter at hand my views on economy. The basic purpose of economy in the Federal Government is to preserve the integrity of the purchasing power of the dollar. The basic reason for preserving the purchase power of the dollar is to preserve the living standards of our people, particularly those who are dependent upon fixed pensions and wage scales for their income and have no capital investment with which they can hedge against inflation. Now if we are going to economize on the salaries of the people in the Federal Government we defeat the very purpose of the overall economizing. We adversely affect the standard of living of this large block of American people. The last place to economize in the Federal Government is in the salaries and wages of our Federal employees. For another reason, too, that economizing on peoples' salaries is not the road to further efficiency in the performance of their jobs.

Many of the postal employees in the St. Louis area have to hold down two jobs, to the detriment I might state of the efficient performance of both, and a detriment to the very concept of the 40-hour week. Yet to make ends meet to maintain their standard of living they must do this. Union recognition will place the needed emphasis on this important point.

I think we can greatly improve the employment practices in the Federal Government. The place to begin is in union recognition. Once the representatives chosen by the Federal employees are recognized by our Federal administration, I am satisfied that we will improve the Federal Service constantly so that once again service in the United States Post Office Department will be a mark of distinction.

RESOLUTION TO DIRECT JOINT ECONOMIC COMMITTEE TO STUDY POPULATION GROWTH AND MOVEMENT

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. CURTIS. Mr. Speaker, I introduce for appropriate reference a House resolution which directs the Joint Economic Committee, or any subcommittee thereof, to conduct a study of the economic impact of the growth and migration of population in the United States.

This resolution is also being introduced in the Senate by the chairman of the committee, Senator WILLIAM PROXMIRE, and by Senator KARL E. MUNDT, and in the House by Representative WRIGHT PATMAN, vice chairman of the committee.

Under the Employment Act of 1946, the Joint Economic Committee was given a broad mandate to study means of coordinating Government programs in order to further the declaration of policy set forth in the act. It is becoming increasingly clear that population growth and migration have an important impact on the number and location of employment opportunities in our country. Changes in population affect not only the location of industries and regional development, but they have contributed to the emergence of basic economic problems in both our cities and rural areas.

The resolution which I am introducing today directs the Joint Economic Committee to study the factors which affect the geographic location of industries, as well as those which are necessary in order for industries to operate efficiently outside large urban centers, and to operate and expand within large urban centers without the creation of new economic and social problems. It also requires the committee to analyze and evaluate the limits imposed upon population density in order for municipalities or other political subdivisions to provide necessary public services in the

most effective and efficient manner. Finally, it directs the committee to consider the importance of geographic balance in economic development of the Nation and how the Federal Government might encourage more balanced industrial and economic growth.

I include the resolution in the RECORD at the conclusion of these remarks.

The resolution is as follows:

H. CON. RES. 371

Whereas the Congress, by section 2 of the Employment Act of 1946, declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its needs and obligations and other essential considerations of national policy, with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power;

Whereas the Joint Economic Committee, established under that Act, has been given the directive and function to study means of coordinating programs in order to further this declaration of policy as set forth in the Act;

Whereas the growth and movement of population has most important effects on production and consumption in our economy; and

Whereas population movements have profound interaction with the location and industries and regional development; and

Whereas population growth and movement has contributed to the emergence of certain basic economic problems both in the cities and in the rural areas: Now, therefore, be it

Resolved, That it is the sense of the Congress that the Joint Economic Committee, or any duly authorized subcommittee thereof, be requested and urged to include within the scope of its investigations an investigation and analysis of the growth and movement of population including, but not limited to the following—

(1) an analysis and evaluation of the economic, social, and political factors which affect the geographic location of industry;

(2) an analysis and evaluation of the economic, social, and political factors which are necessary in order for industries to operate efficiently outside the large urban centers or to operate and expand within the large urban centers without the creation of new economic and social problems;

(3) an analysis and evaluation of the limits imposed upon population density in order for municipalities, or other political subdivisions, to provide necessary public services in the most efficient and effective manner;

(4) an analysis and evaluation of the extent to which a better geographic balance in the economic development of the Nation serves the public interest; and

(5) a consideration of the ways and means whereby the Federal Government might effectively encourage a more balanced industrial and economic growth throughout the Nation.

STATEMENTS OF HOUSE REPUBLICAN COMMITTEE ON WESTERN ALLIANCES

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY] may extend his remarks at his point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. FINDLEY. Mr. Speaker, as the North Atlantic Council meets in ministerial session today and tomorrow, I wish to call to your attention two statements on NATO recently issued by the House Republican committee on Western alliances, of which I am the chairman.

UNITED STATES MUST LEAD IN STRENGTHENING NATO

The first urged amendment of the North Atlantic Treaty to give official status and powers to the North Atlantic Assembly. This was adopted by the committee on June 8 and a copy sent to the President.

The second is a statement deploring U.S. policy toward NATO. This was prepared by Representatives SEYMOUR HALPERN, of New York, and MARVIN L. ESCH, of Michigan. It was approved by the committee yesterday.

Other members of our committee are: Representatives E. ROSS ADAIR, of Indiana; WILLIAM O. COWGER, of Kentucky; WILLIAM C. CRAMER, of Florida; SHERMAN P. LLOYD, of Utah; WILLIAM S. MAILLIARD, of California; ALEXANDER PIRNIE, of New York; ALBERT H. QUIE, of Minnesota; WILLIAM V. ROTH, of Delaware; HERMAN SCHNEEBELI, of Pennsylvania; CHARLES W. WHALEN, of Ohio; and LARRY WINN, JR., of Kansas.

NORTH ATLANTIC ASSEMBLY SHOULD HAVE OFFICIAL STATUS

Mr. Speaker, the North Atlantic Treaty should be amended to provide for an assembly having equal status with the Council as an institution of the Atlantic alliance. The assembly should be given powers of deliberation and control at least equal to those conferred upon the assemblies of the European Economic Community and the Council of Europe. It should meet frequently and for substantial periods.

Such an assembly would improve the exchange of ideas by representatives elected directly by the people of these nations. Its public debates would tend to moderate nationalism and some of the abrasive tendencies of bureaucracy. The need for this has just been dramatically demonstrated by the disarray of the NATO nations in reacting to the Mideast crisis.

While the European assembly has only indirect control over the Community, its members have organized into four political groups cutting across national lines, thus producing debate on the merits of an issue with a minimum of national bias. Members of the Council of Europe Assembly are similarly organized.

This action is long overdue. It was authoritatively proposed in March 1953 by a conference including top representatives of the Netherlands Government in a resolution which was drafted in close consultation with the Foreign Ministry prior to the meeting.

About a month later as the North Atlantic Council was about to meet, 140 prominent citizens of Canada, France, the United Kingdom, and the United States addressed an open letter to their countrymen and NATO representatives. It called attention to the authority in the treaty for further development of the North Atlantic community and suggested the creation of a North Atlantic consultative assembly, composed of representatives of people of the NATO countries, which would have as its principal objective the implementation of article II of the treaty. This pledges members to bring about "conditions of stabi'ity and well-being" and to "encourage economic collaboration between any or all of them."

Even before this there were a number of important initiatives looking toward an assembly of legislators of the Atlantic community. In the spring of 1951, the late Paul Reynaud visited Washington and suggested that Members of our Congress attend the next meeting of the European Assembly, in Strasbourg. Reynaud had been the Premier of France in 1940 when its Government received General de Gaulle as an emissary from Winston Churchill bearing a proposal that Great Britain and France unite under a single government to resist the onslaught of Hitler's armies.

In May 1951 the Assembly of the Council of Europe resolved to invite Members of the U.S. Congress to meet with them either in Strasbourg or Washington to discuss common problems in accordance with a mutually agreed agenda. Such a meeting was arranged by Paul Henri Spaak and Lord Layton, President and Vice President, respectively, of the Assembly who visited the Speakers of both our Houses. It took place in November 1951.

In the Netherlands, in March 1952, two groups—the Association for the International Rule of Law and the Netherlands Council of the European Movement—issued a joint resolution as a basis for action toward a North Atlantic federation and established a committee to further their cooperation in this. The first paragraph of the resolution advocated a North Atlantic representative assembly within the framework of NATO.

In April 1952, 60 Canadian Senators and Members of Parliament were hosts to a U.S. delegation comprising Justice Roberts, Senator Gillette and Congressman Leroy Johnson. They resolved that—

The national legislatures of the sponsor nations of NATO give consideration to the creation of a North Atlantic Assembly, composed of the parliamentary representatives of the people concerned, which will have as its objective the implementation of Article II of the North Atlantic Treaty.

In May 1952, the Atlantic Union Committee held a strategy conference in Washington and, at the request of General Draper, the U.S. Permanent Representative on the North Atlantic Council, cabled its views to him. The first recommendation was "a North Atlantic Assembly" as mentioned above.

Writing in Look magazine in November 1952, Arnold Toynbee said:

In western countries whose constitutions are federal as well as democratic, it is an axiom that political unity at the govern-

mental level will remain precarious, and perhaps illusory, unless and until it has been underpinned by unity at the deeper level of popular representative institutions. If we were now to take this first step of convening delegations of national legislators from all the NATO countries to deal at this level, with NATO's common affairs, we might find we had created a growing point from which a democratically-governed western community could bring itself into being step-by-step.

A report by Pierre Streit on the NATO Council meeting about May 1953 indicated that the Norwegian Storting had discussed the idea of an Atlantic Assembly and its NATO representative had placed this on the agenda of the North Atlantic Council.

An international movement, now known as the Atlantic Treaty Association, organized by the British Society for International Understanding in September 1952, held a conference at Copenhagen in September 1953. One hundred and twenty persons from all 14 NATO countries made plans to hasten the creation of Atlantic committees in member nations and noted, but did not adopt, a resolution of one of its commissions which recommended the creation of a consultative assembly within the framework of NATO.

Failure of the NATO governments to establish a consultative assembly as an official organ of NATO was mitigated in July 1955 by the creation of the informal NATO Parliamentarians Conference. In each of the past 5 years, this body itself has recommended the establishment of an official consultative assembly as an organ of NATO but our Government has never given serious attention to these recommendations. In recent years, the State Department has publicly endorsed an "Atlantic Assembly" but when asked to elaborate on the nature of the institution so endorsed it revealed that it opposed an organic relationship of such a body with the other institutions of the alliance.

The Atlantic Convention of NATO nations in January 1962 recommended that the NATO Parliamentarians Conference be developed into a consultative assembly which would review the work of all Atlantic institutions and make recommendations to them.

Two Members of the U.S. Congress have played leading roles in the endeavor to convert the NPC into an official consultative assembly. Representative WAYNE HAYS was a member of a special committee appointed by the conference in 1962 to bring this about. Representative HAYS has long been the chairman of the House delegation to the NPC. Mayor John Lindsay, as a NATO parliamentarian in 1964, headed its political committee which also recommended action toward this end.

Since the beginning in 1955, over 30 U.S. Congressmen have been delegates to the NPC. Some of these were or have since become key leaders in both the executive and legislative branches of our Government. Among these are the President, the chairman of the Foreign Relations Committee, and the minority leader of the Senate.

At its 12th annual meeting last November, the NATO Parliamentarians Conference approved a report on the conversion of the conference into an official assembly and a proposed charter for it. Both of these were forwarded to the North Atlantic Council.

Now as a ministerial session of the North Atlantic Council is about to convene, we urge the world's largest and oldest representative government—the U.S. Government—to instruct its Ambassador to NATO to press for early and favorable action on this proposal, and further to seek its accomplishment through amendment of the North Atlantic Treaty by the 15 NATO nations.

FAILURE OF U.S. NATO POLICY

The traditional notion of the North Atlantic Treaty Organization as an urgent exercise in collective self-defense for the member states is today beset by doubts and diminishing faith on both sides of the ocean. Many different influences, some of them complex and perhaps unavoidable, have brought about a situation where our perception of the Atlantic alliance, formed when the Soviet threat to Europe was immediate, is being challenged on the basis of present-day realities.

The United States, as leader of the free world, cannot afford to turn a deaf ear to these new and still evolving developments. Even more precarious for our future relations with Europe would be a stubborn, Pavlovian-like defense of the status quo, together with hurried attempts to patch up differences for the sake of appearance, without making a consummate effort to join our allies in dealing with the real NATO difficulties.

These difficulties can only be solved, in the long run, through joint discussion and decision and not through unilateral action.

The success of the alliance in deterring Soviet aggression is undeniable. At its inception, the framers of the North Atlantic Treaty believed that only by pooling their resources and preparing collectively for the contingency of war, which had twice in this century ravaged a divided Europe, could the Allies achieve security and peace. While it is true that the overwhelming nuclear capability of the United States has formed the main deterrent, this capability is committed to Atlantic defense through NATO, and these persuasive treaty provisions give credibility and an essential aspect of mutual endorsement to the American retaliatory power.

Today the threat of overt Soviet military penetration has apparently receded. That threat has taken on a far more subtle and sophisticated cast. Many Europeans, accustomed to America's nuclear protection and inwardly concerned about their own economic and social problems, believe that NATO is becoming increasingly outmoded, a cold war legacy incapable, by its very nature, of responding to the fresh opportunities and directions on the continent. A new nationalism and self-confidence, activated and symbolized by Gaullist forces, fed in some quarters by latent anti-Americanism, is suggesting that NATO may even constitute a serious liability in handling the gut issues of German reunification, security in central Europe, and the future of East-West relations generally.

There is some sentiment—or resignation—that the fate of Europe rests with direct Soviet-American relationships, and that in the great scheme of things, NATO does not figure significantly. American military predominance has, for many Europeans, removed the urgency of the NATO concept, which explains in part the reluctance of the European governments, and public opinion, to support approved force levels.

Notwithstanding these board interpretations, our NATO partners certainly wish to preserve, in their own self-interest, the American commitment to Europe, which is the keystone of their security. However, the political context in which NATO exists and functions has changed, and it is absolutely essential that the NATO nations attempt to arrive at a common understanding of these changes and, where appropriate, a common reworking of the objectives, obligations, decisionmaking arrangements, and other organization features. In this connection, we welcome the current NATO study, proposed by Belgium, aimed at evaluating the impact of world political trends on the alliance and recommending means of strengthening it. We regret that the United States, from which Europeans logically expect a strong degree of leadership, did not initiate such a thorough examination long ago. Beginning in 1963, this committee has repeatedly urged a similar undertaking.

Although developments in Europe and in the Communist world, and particularly the withdrawal of Gaullist France from the NATO command structure, have helped to undermine the integrity of the alliance, the United States has contributed to the sense of uncertainty and ambiguity which today beclouds the organization and its role. We have repeatedly professed our commitment to a strong NATO partnership. But our past actions have not always served to reinforce that claim.

The rigidity of America's official position, in defending NATO's underlying assumptions and the principle of integration, conflicts with frequent and abrupt shifts in policy which speak louder than words. The resultant confusion has undercut the moral force of our persistent defense of the NATO status quo.

As a world power, the United States has become preoccupied with crises outside the NATO sphere and has been moved, rightly or wrongly, to take certain actions in its own national interest. These actions have, in a tangible and psychological manner, affected the overall NATO picture.

On numerous occasions we have failed to consult fully with our allies in reaching strategic decisions of consequence to the alliance. The application of U.S. nuclear weapons in case of a European war, which is of vital concern to our allies, was thrown into doubt when Secretary of Defense McNamara enunciated the nocities doctrine in a speech at Ann Arbor in 1962. The flexible response posture was a new strategy, supplanting the theory of

massive retaliation, and as such held great importance for the European countries which would bear the brunt of a Soviet land attack. This new strategy was not submitted to NATO for review previous to its announcement, and only in May 1967 was it officially ratified by the Council.

Bilaterally, the United States and Great Britain canceled the Skybolt project in 1962 and embarked upon a new nuclear program. A totally unrealistic and militarily vulnerable scheme was devised—the MLF—in order to give Europeans, particularly West Germany, a hand in nuclear defense, which we later shelved. Our Government abruptly withdrew missiles from Turkey and Italy in 1963.

During the early stages of the French nuclear development, the United States consistently refused to sell or make available technology to the De Gaulle government, even though the French program was inevitable, and this treatment contrasts sharply with our close collaboration with the British from the days of World War II.

More recently, the difficulty of alining key NATO partners behind the draft nuclear nonproliferation treaty testifies to the need, and the practical wisdom, of securing during the formative stages the advice and cooperation of the alliance. A treaty banning the spread of nuclear weapons, however desirable in the context of world stability, relates to the future of the alliance its security, and the question of nuclear-sharing. These important matters, as well as the treaty's inspection machinery, should have been thoroughly explored in the NATO councils before and during the negotiation period.

We also note the conclusion of the tripartite talks where agreement was reached on the question of offset payments, a difficult and painful issue. Part of this arrangement proposes the withdrawal of 35,000 American troops from Germany and some Air Force squadrons, as well as a contingent of British forces. There is no doubt that these plans, negotiated outside the alliance organs, will be approved by the Defense Planning Committee to this extent, they are a veritable fait accompli. These agreements were dictated solely by balance-of-payments considerations and also, in the case of the United States, by congressional pressures for troop redeployments. While not minimizing the importance of financial concerns, we are alarmed that the United States evidently did not inaugurate within NATO a prior evaluation and exchange of views on the military and security questions which the retrenchment signifies.

We have touched here only upon a few, historical instances, and more recent cases, exemplifying the American indifference to the principle of mutuality, in pursuit of its own objectives, and in a further statement we intend to outline this harmful sequence at greater length.

The triangular, three-power offset accords are partially a 1-year arrangement, which means that we will face this sensitive issue again early in 1968. Official spokesmen are jubilant that the problem has been solved, at least temporarily, and that the British will remain in Germany, minus 5,000 men. However this may be, the total contract is symptomatic of the extent to which governments are overriding the conventional NATO ideal in favor of domestic priorities.

This critique does not seek to judge the validity of many actions taken by our Government in response to conceived national interests. However, we do emphasize that many of these decisions were reached unilaterally or in disregard of NATO, and at times needlessly so, and that this methodology as well as the nature of the policies, bearing on the interests of the alliance, has tended to undermine the cohesion and faith of the NATO membership.

U.S. foreign policy, during the past decade, reflects the changing nature of world politics. As Europe has prospered, our attention has been increasingly focused elsewhere. Our absorption in the problems of Africa and the Pacific, and the neglect we have shown NATO, accents the disparity of power and motivation which has come to separate us from our NATO allies.

Our mistakes of commission and omission are made more critical by their interaction with changing conditions in Europe. Significant modifications are underway in the Communist world, brought about by the Sino-Soviet split and the reemergence of nationalist sentiment; these developments have inspired a growing diversity of economic and political outlook, however circumscribed by Western standards. The politics of getting along with traditional ideological enemies has an irresistible pull in Europe, as demonstrated by the Bonn government's new recognition policy toward the Soviet bloc.

The enlarged perspectives which animate European politics today do not, in reality destroy the relevance of close military collaboration in defending Western Europe against the application of Soviet pressure. The task is to reconcile the movement toward detente and closer East-West relations with the maintenance of a strong, reliable NATO Alliance. The two are not contradictory, as many would suppose for NATO is a purely defensive arrangement.

By implication, the United States should welcome initiatives designed to resolve sharp differences between East and West, and should encourage steps to increase understanding and minimize tension between our allies and the satellite states. This is inevitable anyway and it does not automatically deaden the NATO ties, only in the minds of those who would turn back the clock, unwilling to adjust to the new concerns of our NATO partners. It is only blind adherence to obsolete propositions which can quickly destroy NATO.

To a considerable extent, the increasing desire of East Europe for contacts with the West, which implies a recognition of the Western status and achievement, results from the success of NATO in making possible both stability and economic prosperity.

In the near future we shall issue two additional statements, the first a documentation of American conduct toward the alliance, and secondly, recommendations for revitalizing NATO as a relevant and meaningful enterprise.

PERSONAL EXPLANATION

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. KUPFERMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. KUPFERMAN. Mr. Speaker, as a member of the Subcommittee on Insular Affairs of the Interior and Insular Affairs Committee, yesterday, Monday, June 12, on official business for said committee, I attended at the United Nations in New York City, the 34th session of the Trusteeship Council for the Trust Territory of the Pacific Islands for the annual report and hearing of the administering authority, the United States.

I was, therefore, not present on the vote on H.R. 7476, rollcall No. 131, to authorize adjustments in the amount of outstanding silver certificates. If I had been present, I would have voted "aye."

THE AMERICAN FLAG

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. GOODLING] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. GOODLING. Mr. Speaker, I would like to remind my colleagues that there is now on display in Statuary Hall in the Capitol a remarkable display of American flags that they will not want to miss.

There are 44 flags on display, which individually depict an exciting American historical event and which together present a dramatic perspective on American history, before and after this country's independence.

This display has been set up in consonance with Flag Week, June 12, and Flag Day, June 14, periods proclaimed by the Congress and the President of the United States as a time for extending proper recognition to our American flag.

Approval of the display was granted by the Speaker's committee, with the Honorable JACK B. BROOKS, of Texas, handling much of the detail associated with this approval. The committee determined that this display would coincide with the ceremony to be conducted on Flag Day in the Chamber of the House of Representatives.

Such ingenious displays do not just happen, and this particular one was researched and assembled by Mr. Wilfred C. Clausen, a citizen of Hanover, Pa. Mr. Clausen has developed his interesting flag project in behalf of the Hanover, Pa., Area Historical Society. This society came into being in 1965, having been originated by a small group of individuals

with a keen interest in the history of Hanover, Pa.

It's a good beginning—

Said Mr. Clausen upon setting up his display in Statuary Hall—

but a lot more remains to be done. This project will require additional research, and right now I am exploring all the historical data I can assemble on Revolutionary War flags. Sometimes this information is scarce, and often times the pictures available are quite small. On some occasions I have worked with 1½ inch size pictures, straining to capture the precise detail and color of the flags. Then I have the task of obtaining the right kind and color of material and cutting it into the proper design, always striving to keep the finished product true to scale.

Mr. Clausen indicated that more times than not he has to work hard at getting the materials required for his flags. He said he is fortunate, however, because a shop in Hanover, Pa., is equipped to handle his requests for special flag materials, many times ordering these materials from other parts of the country.

He said he was greatly impressed with the willingness of individuals to help on his flag project. Mrs. Elizabeth Botterbusch, for instance, is responsible for sewing the flags together with precise stitching and in a masterful way that preserves the true nature of the flags. Mr. Richard Garrett performed a fine job in setting up the sign cards, which identify the flags and tell about their historical significance.

Mr. Clausen also stated that all of the service and patriotic organizations always extend a high degree of cooperation to his flag efforts, sponsoring his displays and helping to set them up and attend them. Significant contributions in this respect have been regularly made by the Veterans of Foreign Wars Post No. 2506, the Hanover Elks Lodge, and the Patriotic Sons of America.

Mr. Speaker, I recommend that my colleagues pay a call to Statuary Hall to see this impressive display of flags. I can assure them they will find it an experience they will long and patriotically remember.

A description of the flags presently on display follows:

1. England, 1605: Flag of the English nation with its red cross of St. George.

2. Great Britain Union Jack, 1606: Symbol of the union of England and Scotland effected by the coronation of James Stuart of Scotland, Kind of England. Red cross of St. George now joined with the white cross of St. Andrew of Scotland. Flag of England was used by the colonists for over a hundred years.

3. American Navy Jack, 1775: Hoisted by Esek Hopkins to the main mast of the Alfred, December 5, 1775, at the time Lt. John Paul Jones raised the Grand Union Flag. Snake spread over red and white stripes.

4. South Carolina Navy Ensign, 1776: The Southern colonies favored the device, "Don't Tread on Me," often used at this time. South Carolina adopted red and blue stripes with crawling serpent for armed ships.

5. Betsy Ross Flag, 1777: Designed by resolution of Congress, June 14, 1777, the Stars and Stripes contained alternate red and white stripes, 13 in number, and 13 stars in a blue field, representing a new constellation, situated in a circle to represent their equality. Popularly known as the Betsy Ross flag, this is probably the oldest national flag in existence, with the exception of Denmark's.

6. Washington's Cruisers, 1775: A white background containing a large pine tree, a design adopted frequently by the colonists to symbolize their struggles with the wilderness of a new land. This was carried by cruisers in the early formation of an American navy.

7. John Paul Jones Starry Flag (12 stars), 1779: This flag was rescued from the sea during the battle of *Bonhomme Richard* and the *Serapis* in the Revolutionary War. At this time, Jones is reputed to have said: "I have not begun to fight."

8. Liberty Flag (8 pointed stars, red and blue stripes), 1765–77: Colonists just before the Revolution would hoist flag poles in the center of the town square in defiance of the English taxation policy. English soldiers often cut these down.

9. Liberty Flag Canton Union Jack, 1775: Small Union Jack in its canton (corner), indicating continued loyalty to the Crown, often with American watchword, Liberty across lower part of the field. Such a flag was hoisted on a liberty pole at Taunton, Massachusetts.

10. Bunker Hill Flag, 1775: Tree on upper left arm of a red cross on white background corner of a blue field. This was recognized as the emblem of the Americans at the Battle of Bunker Hill, June 17, 1775.

11. Continental Army Flag, 1776: Symbol of Massachusetts Bay Colony. The frequent custom of the colonists as they grew toward independence was to use a pine tree symbol. This was in place of the crosses of St. George and St. Andrew.

12. Bennington Flag, 1776: Bearing the date of Independence, this flag was borne by Ethan Allen's Green Mountain Boys at the Battle of Bennington, August 16, 1777. Contains alternate red and white stripes, a blue field with 13 stars surrounding the figure "76." Early indication of what would become the American Flag.

13. Gadsden Flag First Marine Flag, 1775: A distinctive flag, this one shows a coiled rattlesnake on a yellow background. It was carried on the *Alfred* in 1775, later presented to the Continental Congress by the South Carolina delegate, Christopher Gadsden. An historic naval emblem.

14. Grand Union Flag, 1775–76: Immediate predecessor of the Stars and Stripes, this flag was carried on ships of the colonial fleet and a similar flag was raised by General George Washington at Cambridge as the standard of the Continental Army. 13 stripes, alternately red and white, represent the 13 colonies, with a blue field in the upper left hand corner bearing the crosses of St. George and St. Andrew—a significant sign of continued feeling for England.

15. Liberty Tree Flag, 1776: This flag bears upon a white background the green pine tree of liberty, often the inscription, "An Appeal to Heaven." General Gage ordered the tree under which the Sons of Liberty met in Boston cut down. Thereafter this symbol appeared frequently on colonial flags. The Massachusetts Council adopted this flag in April of 1776.

16. Massachusetts Navy Ensign, 1775: Vessels bearing this flag had a commission from the Continental Congress at Philadelphia. It bears a pine tree and a rattlesnake coiled at its roots with the motto, "Dont Tread on Me."

17. American Merchants and Privateers, 1776: Ordered to raid British shipping by the Continental Congress, American privateers were also commissioned to carry a flag with 7 red and 6 white stripes as a national flag to prevent their seizure as pirate ships. This flag became the symbol of gallant deeds at sea.

18. Fort Moultries, South Carolina, 1776: The first distinctive American flag displayed in the South. This one flew over a fort on Sullivan's Island, near Charleston, South Carolina, when Britain attacked, June 28, 1776. The garrison under Colonel William Moultrie withheld the British, thereby saving the South from invasion for another two years.

19. Beaver Flag, New York, 1775: Carried by armed ships of New York and copies after the seal of New Netherland, the Dutch colony to which New York had formerly belonged.

20. Oliver Hazard Perry, 1813: Perry's Flag was unfurled at the Battle of Lake Erie, September of 1813. It bore the inscription, "Don't Give Up the Ship."

21. Fifteen Stars and Stripes, 1794–1818: Adopted by resolution in 1794, after the admission of Kentucky and Virginia, this remained the flag until 1818. It was the inspiration for Francis Scott Key's *Star Spangled Banner* in the War of 1812. The Hanover Company fought at the battle of North Point, near Baltimore bearing this flag.

22. Stars and Bars, Confederate States of America, 1861: Confederate flag especially identified with the State of Virginia.

23. Bonnie Blue Flag, Confederate States of America, 1861: Confederate flag especially identified with the State of Virginia.

24. World War I, 1914–18: 48-star flag, after the admission of Arizona and New Mexico, 1912.

25. World War II, 1941–45: Such flags were used as casket flags for servicemen slain in the First and Second World Wars. This was the flag that flew over the United States Capitol when we went to war in 1941. This same flag went with President Roosevelt to Casablanca, Yalta, and other historic places, and flew over conquered cities, as well as the first United Nations meeting in San Francisco in 1945.

26. Present-day flag: 50 stars, indicating the admission of Alaska as the 49th State in 1959 and Hawaii as the 50th State in 1960.

27. Red Ensign, 1707: Red, Canton Union Jack. Used on ships that brought settlers to American shores.

28. Hanover, Pennsylvania, Associators, 1775.

29. Easton, Pennsylvania, 1775: Prepared in advance of Revolutionary War. Blue flag. 13 stars in body of flag. Canton 13 red and white stripes.

30. Pennsylvania Longrifleman: Regiment recruited from western counties of Pennsylvania, 1776. Olive green flag. Spearman throwing spear at British Lion in net.

31. Connecticut, 1776: Webb's Division. One of the first Connecticut flags.

32. Third Maryland, 1776–1814: Carried at the battle of Cowpens, South Carolina. Battle of North Point. Thirteen stripes, blue canton, 12 stars in circle, 1 star in the center.

33. 1st. Navy Ensign, 1776. Thirteen stripes, blue canton, thirteen stars in horizontal rows.

34. The Bucks of America, 1776. Presented to the first Negro Company. Autographed in panel at top of pine tree by John Hancock and George Washington. Yellow background, pine tree, buck deer, scroll: Liberty or Death.

35. Clasped Hands. Olive green, white canton, 13 mailed hands holding chain. Forerunner of slogan: "E Pluribus Unum."

36. New York, 1776: Captain Hulbert, Long Island, New York. Battle of Long Island, Ticonderoga and fighting near Philadelphia. Forerunner of 1st. United States flag. 13 stripes, blue canton, thirteen 6-pointed stars.

37. John Paul Jones, Serapis Flag, 1777: Flown from captured British ship *Serapis*, taken to port of Texal, Netherlands. Red, white, and blue stripes. Blue canton, 13 stars.

38. Pennsylvania Militia, 1802. 13 stars in circle, Regimental Number. Blue, eagle design in center.

39. Texas, 1824: Carried at the Battle of the Alamo. Red, white, and green. Neutral stripes, blue canton, 13 stars.

40. United States Flag, 1861: 34 star flag. Our flag at the start of the Civil War.

41. Centennial Flag: Used at the Philadelphia Centennial. Great Star design.

42. United States Flag, 1863: 35 star flag. Our flag after the admission of West Virginia. Battles of Vicksburg and Gettysburg.

43. Pennsylvania-Militia National, 1802: 13 stripes, canton blue eagle, 13 star in circle. Regimental Number. Used in the War of 1812. Battle of North Point, Maryland.

44. United States Centennial, 1876: Our country 100 years old. Centennial held in Philadelphia, Pennsylvania. Thirteen stripes. Stars arranged in great star design.

JOB CORPS SURVEY

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon [Mr. WYATT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. WYATT. Mr. Speaker, Mrs. Robert Neikes of my hometown, Astoria, Oreg., has furnished me with the results of a survey showing community acceptance of the Tongue Point Job Corps Center in Astoria, Oreg. I have furnished these figures to the House Committee on Education and Labor, and have asked that they be made part of the official record in the hearings now being held on the poverty program by that committee. To make the record complete, I would like to bring these figures to the attention of my colleagues in the House, and I, therefore, present herewith a news release from the Job Corps Center:

A sizeable majority—almost 70%—of Astoria residents like the Job Corps and hope the Tongue Point Center will continue to train corpsmen or corpswomen in their area, a survey indicates.

A scientifically-conducted polling of a five per cent segment of Astoria's approximately 10,000 population was accomplished during May of this year, and results compiled from the resulting statistics were released this week.

Fifty per cent of persons receiving a mailed questionnaire responded to the survey, providing an across-the-board sampling of two and a half per cent of the total population. Names were selected at random from the Astoria telephone directory, and officials at the Center noted that this selection may have had a negative effect by eliminating homes without telephones, which might be presumed to favor anti-poverty measures.

Responding to the question "Do you favor continuation of Tongue Point Job Corps Center?" 69% of those polled answered in the affirmative, while 31% expressed disfavor of the project, which is operated by the University of Oregon under a contract with the federal Office of Economic Opportunity.

Center officials expressed gratification at this evidence of Astoria's warm reception, pointing out the contrast with other areas of the nation, where in some instances closure of centers actually had been requested.

A telegram congratulating the city on the results of the poll and expressing appreciation for Astoria's warm reception of the Tongue Point Center was received Monday (June 12) by Mayor Harry Steinbock from William P. Kelly, national director of the Job Corps.

"Congratulations to the city of Astoria for its approval of the Tongue Point Job Corps Center and expression of interest and participation in our program through the recent city-wide poll," Kelly's message said. "We hope this pleasant relationship will continue for a long time."

A flat 75% of Astorians believe location of a Job Corps Center at Tongue Point benefits Clatsop county, with 25% holding the opposite view; only 30% oppose continuation by Congress of the Job Corps program while 70% believe the national program should be kept, the poll indicates.

Of those responding, 38% had been reached previously by some type of contact from the center; they had heard a center representative speak, had visited the center, or had read brochures about it. More than 18% have participated in some form of community activity in which corpsmen or corpswomen were involved. Assistance to center activities on a volunteer basis was offered by 29%.

A small number of those polled—four per cent—although approving of the Job Corps as a national institution, did not like the center's location at Astoria; on the other hand, a similar number disapproved of the Job Corps plan nationally, but indicated that if Congress did maintain such a program, Astoria should have a center. Seven per cent disapproved of the center's location at Astoria even though they believed it is economically beneficial to Clatsop county.

Seventeen per cent of those answering "wrote in" favorable comment on their questionnaires, while 15% commented adversely.

And, as might possibly be expected in this era of taxpayer revolt, five per cent just answered "no" to all questions.

Indicating lack of direct knowledge, 18% of those disapproving the center said they had never visited it, while only 10% of those who had inspected it still disapproved. Only three per cent of those who had participated in any center activity recorded negative opinions.

CONGRESSMAN HORTON SUBMITS BILL SPEEDING DISABILITY INSURANCE PAYMENTS TO CRITICALLY DISABLED

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. HORTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. HORTON. Mr. Speaker, some months ago a letter from one of my constituents brought to my attention the very serious financial hardships that often result, quite needlessly, from the statutory requirement that the payment of disability benefits under the Social Security Act be deferred until 6 months after the claim is originally made. As Commissioner Robert M. Ball of the Social Security Administration has indicated, in the vast majority of cases this requirement is essential to the orderly and equitable administration of this vital insurance program.

My investigation of several cases arising in the 36th Congressional District of New York revealed, not surprisingly, that those claimants in most immediate need of benefits—the elderly and those persons suffering from the most serious disabilities—are also generally those claimants with handicaps that are identifiable after only a few days or weeks of disability as certain to persist during the 12 months required for compensation to be provided under the act. A case in point which I investigated recently involved Mr. Theodore Metzger, a constituent and close personal friend of many years. It is particularly this case, which so cried out for relief, that has prompted the amendment to the Social Security Act which I am now submitting.

This bill directs the Social Security Administration to immediately pay any claimant who, like Mr. Metzger, has been blinded or has lost a limb or who is otherwise suffering from a disability of such type or nature that its protracted duration can be immediately determined. The bill vests the discretion to define cases in this third category in the Social Security Commissioner.

The goal of this legislation is to effectuate the original purpose of the disability insurance program: to provide an incapacitated person with sufficient sums of money to assure his well-being, and that of his family, during a time of major crisis in his life. The authors of the Social Security Act intended that claimants receive the insurance payments in time to effectively relieve the financial pressure that begins to build up as soon as the claimant loses his job due to the disability. Any delay in commencing these payments, beyond the moment it is ascertained that the disability falls within the law, frustrates the purposes of the program. Although some such frustration is an unfortunately unavoidable byproduct of efficient and judicious administration of the program, this body must exert every effort to minimize such delays.

I know many of my colleagues share my deep concern for the problems of the disabled and I look forward to early favorable action on this bill. Such action will assure that this Nation does everything possible, to aid both the disabled and their families, by effectuating to the fullest possible extent, the original intent of Congress on creating this insurance program.

CONGRESSMAN HORTON INTRODUCES RESOLUTION CONDEMNING ADMINISTRATION PROPOSAL TO TAX SOCIAL SECURITY BENEFITS AND RAILROAD RETIREMENT

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. HORTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. HORTON. Mr. Speaker, the administration recently sent to this body a proposal that certain retirement benefits, including social security and railroad retirement payments, be subjected to Federal income taxation. This tax was suggested as one element of the President's plan to increase such payments to those of our senior citizens most in need of additional financial help. In essence the President is asking that we tax one

group of our senior citizens for the benefit of another. What the President proposes is double taxation in the purest sense. Further, it is designed as a steeply progressive form of taxation.

The President's proposal will merely compound the already extremely difficult plight of one segment of our older citizens, citizens who are already faced with the almost impossible challenge of living on minimal fixed incomes during these times of growing inflation.

The tax has at least three additional faults. First, despite the abundance of competent medical authority attesting to the vital importance of older people remaining active, this tax would further encourage idleness among our older citizens. It would penalize those who continue to work and make a positive contribution to our society as well as their own physical and mental health.

Second, it would stifle the initiative of those senior citizens who remain capable of leading active and productive lives. In so doing it would deprive them of a great source of personal satisfaction. Our Government must be ever alert not to deprive any of its citizens of their dignity or sources of emotional satisfaction in the course of providing for their material welfare. Far too many present and *past Government* aid programs have needlessly substituted psychological and spiritual deprivation in the place of the material deprivation they have eliminated.

Third, the tax would work a fundamental change in the philosophy of the social security and railroad retirement programs. They would cease to be social insurance funds to which we all contribute during our productive years with the expectation of an annuity during our retirement. Rather, social security and railroad retirement payments would become but an extension of the vast Federal *welfare* program financed through the general tax revenues.

For the foregoing reasons I believe this proposed tax is fundamentally opposed to the compelling needs of our retired citizens. Their needs are more nearly met by H.R. 6983, the bill I introduced in March, which would not only increase the amount of the monthly social security benefits but also increase the amount of earned income a person may receive during any year without jeopardizing his right to receive such benefits. Thus H.R. 6983 would stimulate rather than retard individual initiative.

Because I feel that the proposed tax reflects an insensitivity to the needs of the elderly, I am today introducing a sense of Congress resolution expressing opposition to the taxation of social security and railroad retirement payments. I urge all of my colleagues to take this opportunity to demonstrate their awareness of the problems of the aging and support this resolution.

CONGRESSMAN HORTON CITES CATHOLIC STANDARD SUPPORT OF DISTRICT OF COLUMBIA REORGANIZATION PLAN

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. HORTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. HORTON. Mr. Speaker, as one who has strongly supported the concept of modern government contained in Reorganization Plan No. 3 for the District of Columbia, I am pleased to call my colleagues' attention to a June 3 editorial in the Catholic Standard supporting the plan. The Standard, Washington's archdiocesan newspaper, expresses the view of a large number of civic, religious, and educational institutions in the metropolitan area which are solidly behind the reorganization plan.

We urge the Congress to allow the President's plan to become a reality—

The Standard declares.

It will give the District a much better local government. And, it is an important step in preparing for home rule, something which the Capital of the free world needs and deserves.

I urge my colleagues to heed the words of the Standard. The reorganization plan is vital to the welfare and progress to the residents of Washington. The 90th Congress must support this proposal that is so right and so necessary to the concept of modern, democratic government for all our people.

In light of the great importance of this issue now before the House I would like to share this fine editorial with my colleagues:

PRESIDENT'S DISTRICT OF COLUMBIA PLAN

President Johnson's proposal for a new form of rule in the District of Columbia offers the nation's capital a more modern and more effective local government. The District's present form of government, introduced as an experiment in 1874, has very little leadership. When a sudden crisis arises, the city often is unable to act, as witnessed by the current trouble over the summer project funds. The present weak form of local government is one of the causes of the city's constant financial problem. The next fiscal year will see the District budget exceed half a billion dollars and yet the District, unlike other large American cities, has no one official who is in control of the entire budget.

The President's plan will change much of this. He proposes to replace the three Commissioners with one, which will strengthen the currently weak executive power in the city. The consolidation to one Commissioner should bring greater efficiency to the actual day by day governing of the District.

The nine-member council also is an important step, since it will give the citizens of the District a voice in their government. Although the President will appoint the members of the council, he has served notice that he will take into consideration such factors as geography, population and race. This will bring not only public representation but also a responsiveness to the needs of the public. The President proposes that the council have the authority to set the real estate tax and to pass the annual city budget.

We urge the Congress to allow the President's plan to become a reality. It will give the District a much better local government. And, it is an important step in preparing for home rule, something which the capital of the free world needs and deserves.

CHAFFEE SCHOOL COMMENCEMENT ADDRESS

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MORSE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. MORSE of Massachusetts. Mr. Speaker, on June 6 my administrative assistant, Miss Linda K. Lee, was invited to deliver the commencement address at the graduation exercises of the Chaffee School in Windsor, Conn. She was a student at the school and this year marked the 10th anniversary of her graduation.

Because her message, urging the students to involve themselves in the political life of their community is a timely one for all graduates, I include the text in the RECORD:

REMARKS OF LINDA K. LEE AT THE COMMENCEMENT EXERCISES, CHAFFEE SCHOOL, JUNE 6, 1967

There must have been many times during my four years at Chaffee when I would have relished the opportunity to stand before assembled students, faculty and parents and say exactly what I thought! Now that I have been given this unique opportunity, I find it far more of a challenge than I suspected.

I recall a certain member of the English faculty remarking from time to time that the more things change, the more they remain the same. This is certainly true of Chaffee in the decade since I received my diploma. The School has expanded in numbers and facilities and the Class of 1957 is a bit grayer, but the essential quality of Chaffee remains the same. The School has adapted to the times, *and* maintained the standard of academic excellence that has made it unique among secondary schools. This is no mean feat in a world where change is too often marked by a loss of quality.

The excellence of your education is the same as it has always been although the world into which you take your knowledge has changed remarkably. It is interesting to reflect on the changes in public concern since I was at Chaffee. In the years between 1953 and 1957 we worried about whether to send foreign aid to "neutral countries" such as India. Now we are afraid that they will not be able to absorb all the aid we think she needs. We were concerned that growing suburbia would sap the vitality of American culture. Today we are not sure that our cities are fit for habitation. We collected money for refugees from the Hungarian Revolution of 1956. Now we are busy building bridges to the Soviet bloc. We have survived another decade without nuclear holocaust, but the events in Southeast Asia and the Middle East demonstrate how far we are from the creation of a stable world order. Yet nuclear devastation is somehow less imminent than mass starvation.

What makes these problems essentially similar is their complexity and magnitude. The earlier generations had it easier in some respects. Their frontiers were more clearly defined: the Alleghenies, the Mississippi, the Pacific. Our frontiers are found in the urban slums of Hartford and Bedford-Stuyvesant, in the barrios of Lima and Rio, and in the rural poverty of West Virginia. Our frontiers also lie in devising solution to traffic jams, updating archaic welfare programs and preventing hideous housing subdivisions.

The signs are good that our generation is

beginning to meet those challenges. If the 1950's were populated by what was called the "silent generation," the students of the 1960's have been involved, committed and actively engaged in the solution of our most pressing public problems.

In part we were shamed out of our earlier lethargy by the extraordinary courage of the students who "sat in" at a Greensboro, North Carolina, soda fountain in the spring of 1960. In part we were inspired by the words of the man who assumed the Presidency in 1961. In part we outgrew the "Keep up with the Jones" philosophy. We are more interested in new ideas than in new washing machines.

Whatever the cause, American young men and women have assumed a greater share of leadership and have stimulated their elders to efforts that should have been begun years ago. There are nearly 13,000 young men and women serving in the Peace Corps. Several thousand more are Volunteers in Service to America. Many of you have used your leisure time in community activities.

You can take pride in this service, just as you take pride today in having four rigorous academic years. You will find that the education you have received here, and the community spirit has helped inspire, will serve you well in the years ahead.

But with this pride and privilege goes the obligation to take a leading role in improving the quality of American life and in making life possible for the rest of the world. Despite the encouraging trends I mentioned a moment ago, there are some discouraging signs that women are not now doing their share.

When President Johnson launched his well-intentioned drive to appoint more women to high government positions, he found an embarrassing lack of qualified candidates. The most recent national manpower report of the Department of Labor shows that the proportion of working women in professional classifications has actually *declined* over the past 15 years, despite greater opportunities for education and advancement. Whereas 19 women legislators graced the 87th Congress in 1961, only 11 were sworn into the 90th Congress in January.

This downward trend is not the result of discrimination. Some exists to be sure, but barriers to women in the professions, in the arts, in science, and in public service are lower than ever in our history.

Nor does the trend reflect lack of activity on the part of women. Charitable activity is at an all-time high. Educational institutions find their alumnae more loyal than ever before, and more diligent in their financial support. The problem is that too much of women's activity is concentrated in very traditional channels—and at a time when we need all the ability, all the talent, and all the brains we can find in every area of public need.

Women have not set their sights high enough. Too much of modern culture, mass media and household myth tells us that certain jobs and certain professions are not "women's work". It is high time for American women to decide that lack of merit and inclination are the only obstacles to achievement.

Yet, much as I would encourage educated young women to choose the professions: law, medicine, public health, education, international affairs—or even politics—as their goal, as a practical matter very few individuals in any generation are going to serve in the Peace Corps, or VISTA, or in Congress. Very few are going to choose public service as a full-time career. But that does not absolve all of us as citizens from active participation in the public business.

I recall a friend of mine at another distinguished educational institution, a few miles to the north, who felt that she didn't need to read the New York Times each day because she was a student of biology. Another colleague of mine in law school read only the financial pages because he was planning to be a corporate lawyer. They both forgot that they are *citizens* first, *regardless* of their professional specialization.

Just what are the responsibilities of citizenship for the educated person?

The first is to be informed, so that you can vote intelligently and act effectively.

The second is to encourage others, less exposed to knowledge, to do the same. Organize discussion groups, circulate articles among your friends. Bring speakers, writers and artists to your area.

The third and most important responsibility of citizenship is to involve yourself in the affairs of your community. Whatever your profession or family obligations you will live in a community, whether it is one of 9 million or nine thousand. These communities have problems and responsibilities. You may have children to educate, open spaces to preserve for recreation, homes to maintain. And you will do all of these things in an increasingly polluted environment.

Decisions will be made about each of these factors in your life. And the extent to which you influence those decisions will determine the extent to which the quality of *your* life and that of your family and community approaches *excellence* or merely drifts along according to the conventional wisdom. You can best influence those decisions by engaging yourself in the political life of your community.

I am fully aware that the word politics has an unfortunate connotation in the minds of many people—of all generations. A recent survey of American college students, indicated that 77 per cent of those interviewed lacked confidence in the integrity of their political leaders.

Yet politics is basicaly nothing more than the way people live together in society. When we do it badly, we blame it on politics. When we do it well, we pride ourselves on self-government. They are really one and the same thing. As Elihu Root said, "politics is the practical exercise of the art of self-government and somebody must attend to it if we are to have self-government."

Self-government is at the heart of the success of American democracy. Alexis deTocqueville recognized this early in the 19th century when he wrote, "local assemblies of citizens constitute the strength of free nations . . . A nation may establish a system of free government, but without the spirit of municipal institutions, it cannot have the spirit of liberty." It is precisely the lack of this spirit that inhibits the economic and social development of dozens of nations in Asia, Africa and Latin America today.

What must we do to insure that self-government—at all levels—will serve the daily needs of the people *effectively* and lead them to new heights of accomplishment?

We must insist that our elected officials inspire the total confidence of the people they represent. We must insist on standards of ethics and conduct from *elected* officials that we have demanded for years from appointed ones.

We must be willing to seek office ourselves. Serve on the local zoning board or urban renewal agency and insist that architectural excellence take precedence over economic interest.

Serve on the local school board and insure that educational experimentation be more than gimmickry, that what goes on inside the new school building be more important than the beauty of the bricks outside.

Serve on the local welfare council and demand that welfare programs encourage, rather than discourage, the maintenance of strong family units.

And while we are assuming our responsibilities of citizenship in our local community, we must remember that we are also citizens of the world community. We cannot afford to be ill-informed about the other peoples of the world. We cannot afford the luxury of ignorance. We cannot afford to wait until war reminds us what we should have done in peace.

In these days of billion dollar budgets, statistics have an unreal quality, yet one figure is tragically real. It is that nearly two billion people, two-thirds of the earth's total population does not get enough to eat. It is not merely soggy humanitarianism that impels us to accept that challenge.

Finally, I would urge you to travel, not just in the traditional Grand Tour of Europe, but in the exciting nations of the developing world. See the abject poverty that resides next door to affluence in our own country. When you have seen them and talked to the people, I think you will reject some of the popular notions of recent years; the notion that people are poor because they are unwilling to help themselves, the notion that a balanced budget is more important than a balanced diet, the notion that people work for the government only because they can't make it in the private sector.

But what of your next four years? After all, many of the civic responsibilities I have outlined will be yours only later in life. What of your citizenship as a student?

I am not one to bemoan the activism of contemporary students. Some may lack sympathy with their taste and judgment, but student involvement in political activity is basically a healthy sign, especially when compared with the apathy of the past. Student militance in the United States, when contrasted with the traditions of other nations, is hardly worthy of the vindictive charges that have been levelled against it. Nor it is worthy of the attacks on civil liberties.

For the most part, the new spirit of student activism has found expression in only one substantive issue at a time. In the early 1960's students devoted themselves to the growing drive to make real the promise of equal opportunity for all Americans. Most recently, of course, the issue has been the war in Vietnam.

War is a traumatic experience for any nation—even when the battle is distant from its shores. We have experienced dissent from each of our international military conflicts. And we have experienced attempts to stifle that dissent. Yet the First Amendment has survived internal security legislation, internment camps, and Senatorial inquisitors. It will survive anti-peace demonstration legislation as well.

As the events of the past few days indicate, we are still too far away from a world order that will prevent international military conflict. In the meantime, we must be mature enough not to throw aside the values we claim to defend, and to recognize that the actions of major world power will not always be universally popular abroad or productive of political consensus at home.

Having said this, I think we can address ourselves to the effectiveness of current student political activity. One-issue politics has never met with success in this country. It tends to encourage extremism on the part of the participants, contribute to the polarization of debate, and lead to frustration and cynicism when differences are compromised, as inevitably they must be in a pluralistic society.

There is a place for demonstration and public protest, but they must not be the only techniques of political activity. There is room for commitment, but it must not become dogmatic. Even Albert Camus' *Rebel* recognized that to improve society, you must accept it.

MacGeorge Bundy put the role of dissent well in a recent speech when he said, "It is not the American tradition that dissent, dispute, debate and defiance are ends in themselves. Human sympathy across political difference, magnanimity in the face of di-

vision and temperance in assessment and calmness in conviction—these moderating qualities can help us in our necessary battles and beyond them."

I would urge you to fulfill your public obligations in this spirit.

I suppose that it is in the nature of commencement addresses that graduates be warned of the evils of the world and exhorted to defeat them all before breakfast. It is also in their nature to be forgotten in the excitement of future plans and the warmth of friendly farewells. But I remember the message of my college commencement speaker, James Reston of the New York Times. He recited the problems and pitfalls of the future, yet he told us that in spite of, or perhaps because of, these difficulties, we lived in a time of great promise and opportunity. Even this week when the problems overshadow the promise, I agree with his assessment. Our challenges are greater, but so is our capacity to meet them.

BALTIC STATES FREEDOM

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent that the gentlewoman from Illinois [Mrs. REID] may extend her remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mrs. REID of Illinois. Mr. Speaker, I wish to join with other colleagues in the House in once more paying tribute to the gallant, freedom-loving peoples of the Baltic States of Lithuania, Latvia, and Estonia who 27 years ago lost their independence and became captive nations of Soviet communism.

For these beleaguered men and women, the dream of liberty still remains; and as long as freedom exists anywhere in the world, and as long as we here in the free world continue to give them encouragement to persevere, I know that these courageous people will not abandon their hope for liberation.

During the 89th Congress I sponsored one of the many resolutions urging that the United States exert every effort through the United Nations to win the right of self-determination for these captive nations; as you know, the Congress approved House Concurrent Resolution 416. On behalf of the people of my district, many of whom are of Baltic ancestry, I wish to reaffirm my support of this resolution and express the hope that the United States will employ every appropriate means toward its implementation. May I again salute the good people of Lithuania, Latvia, and Estonia and join in their hope that independence for them will soon be a reality.

MISS BARBARA WARD—GUEST SPEAKER AT TOMORROW'S FOREIGN AID COFFEE IN THE SPEAKER'S DINING ROOM

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent that the gentlewoman from Ohio [Mrs. BOLTON] may extend her remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mrs. BOLTON. Mr. Speaker, I would like to remind my colleagues that the guest speaker at tomorrow's foreign aid coffee in the Speaker's dining room is the noted economist, lecturer, and writer, Barbara Ward—Lady Jackson.

Miss Ward has been on the staff of the London Economist since 1950. She is the author of a number of definitive books on international affairs including "Five Ideas that Change the World" and "The Rich Nations and the Poor Nations."

She is a graduate of the Sorbonne and Oxford and has received numerous doctorate degrees in recognition of her leadership in the fields of philosophy, politics, and economics.

As anyone who has heard her speak can attest, Miss Ward is charming and witty and a most articulate and stimulating speaker. I am sure that we will find it a most rewarding session and I hope as many of my colleagues as possible will be able to attend.

Place: The Speaker's dining room.
Date: Wednesday, June 14.
Time: 3 p.m.

ADMINISTRATION BARTERING AWAY ASP

Mr. DELLENBACK. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. MOORE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. MOORE. Mr. Speaker, at the recent Kennedy round of negotiations on tariff reductions, the administration virtually bartered away the American selling price as it affects the American chemical industry.

Mr. Speaker, the economics of any State in the Union is no more entwined with the success of the American chemical industry than is the State of West Virginia. Vast numbers of West Virginia families look to a healthy chemical industry for their livelihood. Therefore, the agreement reached at Geneva, I believe, seriously affects the well-being of the chemical industry in the United States and our Nation's national security as well. I oppose, Mr. Speaker, the provisions arrived at in the Kennedy tariff negotiations respecting the American selling price, but I cannot help pausing a minute to say "I told you so."

I opposed the Trade Expansion Act of 1962, the only West Virginian in the Congress to do so, and at that time, I pointed out that the wide authority given the administration could well have severe repercussions on some aspects of our American industry and its employees. The bartering away of the American selling price will indeed have terrific effects upon the American chemical industry.

Mr. Speaker, I appealed by letter to the President of the United States pointing out my objections to any then considered suggestion that the chief U.S. negotiator give in with respect to a change in the American selling price despite some assurances that the United States would not deal with the American selling price except in a separate package. I now find that the arrangement made with respect to American selling price in the Kennedy round is not separate nor equal.

Again, Mr. Speaker, I am on the record both by my vote on the legislation giving the administration authority to engage in these trade negotiations and in various protestations to the President of the United States with respect to the bartering away of the American selling price.

Mr. Speaker, perhaps Chester M. Brown, chairman of the board of Allied Chemical Corp. has more clearly set forth the problem confronting the American chemical industry in an address before the Synthetic Organic Chemical Manufacturers Association entitled the "New Math." Under unanimous consent I include Mr. Brown's address in my remarks:

THE NEW MATH

International trade negotiations bear a strong resemblance to a game of poker, with each chip having a value of many millions of dollars. We Americans, in general, are pretty fair poker players. I seriously doubt, however, that future historians, will conclude that we were notably adept at either negotiations or poker, from the results of the Kennedy Round agreements. More likely, they may think we were using a "New Math," where the numbers didn't even mean what they said.

It was less than four years ago, at another SOCMA meeting, that I spoke on the subject of United States foreign trade policy. At that time, describing the chemical industry's disappointment with the 1960–1961 GATT negotiations, I expressed my fervent hope that the American government would come to recognize commercial realities, and take them into account during the Kennedy Round discussions that still lay ahead.

I am afraid, though, that my hope—and surely one which all of us shared—has not come to pass. Later this month, when the government spells out the details of the agreement pertaining to chemicals, we will have absolute confirmation both that our industry has suffered badly—and that the just-concluded trade negotiations will not rank among this country's most brilliant diplomatic triumphs.

As a matter of fact, reports coming out of Geneva tell us that in the final days and hours of the bargaining—when the clock had been stopped and the chips were down—the American negotiators, at least in respect to chemicals, consistently yielded to the demands of the Common Market. The astuteness of the Europeans at the conference table, has not been dimmed by either their own public or private reactions to the agreement as they express themselves. The truth is, they can barely confine their delight.

Since that Monday, when we had the first unofficial results, I have spoken to many of you in this room and to others who have responsibility for directing the major chemical companies of America. I find a virtually unanimous view that the agreement is a poor one, not just for our own industry and its scores of thousands of employees, but for the nation as a whole. The bargains were not reciprocal, nor were the gains made in other areas, say, in agriculture, sufficient to justify the expense paid by the chemical industry.

Industry leaders find it difficult to understand how the American negotiators can justify an agreement by which this country undertakes to reduce its existing chemical duties by 50%—in exchange for cuts in the Common Market and the United Kingdom of only 20%. Though it grieves me to say it, I expect the government will soon try to con-

vince, by the use of peculiar "new math" techniques, the public, the Congress—and us in the chemical industry—that the arrangement is no less than fair and reciprocal.

The government has already claimed that the U.S. reduction amounts—not to 50%—but to no more than 42%. It bases this calculation on the fact that a small group of chemicals, relatively unimportant in trade terms, and with preexisting tariffs of 8% or less will have their protection cut by only 20%. Supposedly, then, this small cut on products having—as a practical matter—virtually no protection at all today, offsets part of the 50% cut that applies to all other chemicals.

In addition, the government claims that the European cut, in reality, amounts to 25% or more. It reasons that tariffs on a small list of chemicals—primarily of interest to the Swiss—have been reduced by 35%, and that on some other chemicals Common Market tariffs higher than 25% have been reduced by 30%. I believe the number of these chemicals, so reduced is—three. The fact is, all other European chemical tariffs have been reduced between 10 and 20%. In the case of Great Britain, some present tariffs will actually be raised.

The courage of the chief negotiator is commendable as he fights his battle of arithmetic armed with figures that are at best feeble. For he must now realize that in the frenzied deadline negotiating, in an atmosphere charged with suspense, optimism and unreasoning pressures, he made less than an ideal bargain. I can understand his and the government's natural reluctance to reflect upon just how injurious it will turn out to be.

In my opinion this bargain is even more unfavorable than the 50%-20% ratio would imply. The truth of the matter is: American chemical companies have come out of the Kennedy Round with less access to European Markets than they had before the discussions started.

The United States entered into these negotiations with the firm intention of discussing the general subject of liberalization of trade. We wanted to talk not about tariffs alone, but about many of the non-tariff barriers that other nations have erected to protect their domestic industries.

Relatively early in the talks, however, it became clear that these nations would not allow us to look into their many and varied restrictions practices—such as variable agricultural levies and border taxes. These important non-tariff foreign barriers often create a considerably more formidable barrier to trade than do tariffs themselves. Even so, the United States concurred in the exclusion of these topics. That weakening of purpose was the tip-off, the preliminary to the final—and sacrificial—settlement reached on chemicals.

Since the Europeans so steadfastly refused to discuss their own non-tariff barriers, I am confused by the American decision to talk about a subject that Europeans have long called an American non-tariff barrier—the American Selling Price.

To a chemical company interested in export sales, a product's total cost of entry represents the protective wall that company has to scale. So the important question is: How many dollars and cents have to be paid just to gain entrance for our chemicals into a foreign market?

Most foreign nations have carefully refined their complex systems of turnover and value-added taxes, of export rebates, or arbitrarily-administered customs regulations, of border taxes and transit fees. They have refined and polished them to the degree that their domestic industries can grow and prosper—in spite of American competition.

Despite their generous application of these self protecting devices, in conferring with the Americans the European negotiators did not neglect to defend staunchly the principle of free trade. Nor did they fail to criticize United States tariffs as being protectionist.

They complained that American chemical tariffs are "excessively high", far greater than those in Europe. The fact is: the American tariffs are the *only* barrier to foreign products attempting to enter the domestic chemical market, while foreign tariffs constitute the least of the obstacles confronting American product's entry into European markets. In fact, the European barriers are often such that if American companies want a reasonable piece of these foreign markets, they must build plants on the continent rather than attempt to export from this country.

In recent months, a number of interesting studies have been made of the costs of gaining access for American chemicals into the European markets and the corresponding costs of European chemicals gaining access to the American market. These studies give a true measure of the disparities in protectionism in Europe and in the United States. The costs I am referring to relate only to the costs of shipping, insurance and tariffs in each direction, plus the expense of border taxes on shipments into Europe, and the rebates of taxes given by the European countries on exports made from those countries. Collectively, these costs are referred to as "costs of entry".

To be more specific, we will examine the costs incurred on shipments to and from Germany, because it is between these two countries that the largest transatlantic trade flows. In addition, we will take ethylene glycol as an example because it is an important product in international trade and one in which production costs are similar on both sides of the ocean. It is also one of the products on which the Europeans have claimed a disparity, since their tariff rate is 19% and ours about 37%. These studies show the approximate costs of landing one pound of German ethylene glycol in New York and one pound of its American counterpart in Hamburg. A detailed analysis of these calculations will be distributed by SOCMA, with copies of my talk.

Here are the results. Today, a German producer can land the ethylene glycol in New York at a total cost of entry of a little less than 7 cents a pound. It costs the American producer about 6½ cents a pound at Hamburg. The difference is about one half of a cent. The figure refutes the European charge that United States trade walls are unconscionably high.

What happens now? After the Kennedy Round cuts are in full effect, and the Common External Tariff is in full force, and Europe's value-added taxes are harmonized, the cost of entry into the United States for German producers of that same pound of ethylene glycol will have decreased from just under seven cents to about three cents. Our negotiators have done their part in opening up our market to German producers.

By contrast, the cost of entry for American producers selling in Germany will have risen from 6½ cents to more than 7½ cents. In fact, even if the Common Market had agreed to a 50% tariff cut as part of the Kennedy Round, the American producer would pay more to land his product in Europe after the agreement was implemented than before the negotiations started. Can we give credit to our negotiators for opening up a market for us?

If these results can be seriously offered as evidence of trade liberalization, I think all of us here must go back to our dictionaries, as well as some "New Math" books.

The important point to keep in mind here is that the chemical industry's entire protection comes from tariffs. When tariffs are cut by 50% our protection is cut by 50%. The same is not true in Europe.

I think it would be shortsighted of us to assume that American industry will not feel the full effect of the Common Market's restrictive practices until some time in the 1970's. It will be worse then, but we will notice the difference by next year. Here's an example of what I mean. In the Kennedy Round, the West German government tariffs will be cut by an average of 20%—that is, about 2½ percentage points. However, West Germany will increase its border tax on imports by five percentage points—or double the Kennedy Round cut.

It seems the Germans have made no significant contribution to trade liberalization or to finding a reasonable balance between it and protection.

Administration spokesmen assert that our industry can tolerate these inequitable arrangements because our exports now are more than double our imports.

I should add that we have maintained this ratio through a massive export drive which, at the same time, has helped to support a vital national objective—the stemming of the U.S. gold drain.

Unfortunately, over the past few years, it has become more difficult for our industry to preserve the current trade surplus. Since 1960, the growth rate of chemical imports has been about twice that of exports.

The chemical trade surplus with the major industrial nations is even more precarious than the general figures would indicate. During the last few years, imports from Europe have grown four times as rapidly as our exports to Europe. In the case of Japan, the figures are even more startling. Her chemical shipments to the U.S. have almost doubled in the past three years; our exports to Japan are six percent below what they were in 1964. I expect that the condition will grow worse—from our point of view—even before the Kennedy Round agreement is fully implemented.

Although administration does not appear to be unduly concerned, the fact is we are surrendering large portions of our business to other nations—to Germany, for example, which has a chemical industry less than a quarter the size of that in this country, but with greater exports and a larger trade surplus. Last year alone, German chemical exports totaled close to three billion dollars, and resulted in a trade surplus of almost two billion dollars, figures well above the U.S. totals in the same categories.

We are in 1967—not 1947—and it behooves us all to accept the fact that our European friends have become formidable competitors in the international market place. I think, at this point in time, we have a right to expect U.S. government negotiators to come out of international trade bargaining sessions with an acceptable quid pro quo.

Clearly they did not do this as far as chemicals are concerned.

In fact, it will soon be painfully obvious to everybody here that we were not well served in Geneva.

I would like to comment upon the American Selling Price, and the separate package in which it was theoretically wrapped in Geneva and which the Administration has promised, before long, to open for the inspection of Congress.

As a matter of interest, less than three months ago, the chief U.S. negotiator said, in part, in a letter to Senator Jennings Randolph, "I can only stress that we are deeply aware of the consequences of concluding an (ASP) agreement that is in any way tied to the overall Kennedy Round agreement. We are therefore determined that any ASP agreement we sign will be concluded as a totally separate agreement". End of quote.

I find it hard to understand how we can be expected to consider this a separate package. The fact is: In return for the U.S. reduction of 50%, the Europeans have agreed to a reduction of 20% now and an additional 30% if and when—and only if and when—Congress eliminates the American Selling

Price. In my view, the arrangement is neither separate—nor equal.

We may not know all the details of the separate package until the actual legislation is introduced in Congress. It is already patently clear, however, that American producers of benzenoid chemicals would suffer immeasurably if Congress were to adopt the Tariff Commission's converted rates—which would subsequently be reduced by 50%, in line with the Kennedy Round agreements.

My own company, as a case in point, at this moment must consider the possibility of manufacturing some of our benzenoid chemicals abroad, and importing to fill domestic needs. I suspect other companies are thinking in the same cheerless terms.

Putting aside the question of company profits, I believe there is not a responsible official in the industry who does not feel deep concern for those employees whose jobs may be exported if the package is adopted, and for those small companies who will not, for a variety of reasons, be able to shift their production overseas. And, finally, I'm quite sure our industry has a concern for national security which transcends any industry self interest.

It's quite possible that not everybody in this industry yet realizes the full weight of the burden we are being asked to carry. If ASP is rescinded, protection for most American dyes would decline by almost 70%. Because of the conversion rates used by the Tariff Commission, more than half of that reduction would go into effect almost immediately upon passage of the legislation.

Tariff cuts would be equally severe on other products too. The duty on ethyl vanillin today, for example, is about 75%. This will come down to about 20%, constituting a drop of more than 70%. The duty on caprolactam would fall from about 65%, which it is today, to 20%. I could give other examples too.

If ASP goes, foreign producers will be able to manipulate export values as circumstances require. They will probably have the capacity to cripple—if not destroy—certain segments of the American benzenoid industry.

"Business Week" recently quoted the comment of a spokesman for a German company, after the chemical agreement. He said, "Germany's big chemical makers are rubbing their hands in anticipation". A representative of Farbenfabriken AG put it more graphically. "We feel like a little boy", he said, "who has been promised an electric train for Christmas".

I think it is just good sense for us to recognize that, no matter how generous our spirit, this country cannot any longer afford to play the role of Santa Claus in international relations.

At Allied Chemical we are going to do whatever lies within our power to protect our benzenoid production. We must.

We have no choice but to fulfill our responsibilities to our stockholders, to our employees and their families, and to the many communities across the country whose economic stability rests on the maintenance of a viable benzenoid chemical industry.

I am certain other companies will do no less.

I hope that, acting in concert, we can persuade Congress that it would be in the best interests of the nation to reject the separate package on American Selling Price. I hope, further, that we can persuade Congress that it would be in the best interests of the nation to rescind the unreciprocal portion of the 50% reduction in chemical tariffs which the government yielded in Geneva.

REDUCE DRUG COSTS

The SPEAKER. Under previous order of the House the gentleman from New York [Mr. HALPERN] is recognized for 15 minutes.

Mr. HALPERN. Mr. Speaker, the patent laws of the United States, which protect manufacturers of brand-named prescription drugs from competition, were never meant to enforce exorbitant price schedules.

Patents must guarantee a producer fair returns on the cost of perfecting a process which assures the consumer of consistently pure and effective medicines. But patents must not bolster and enforce excessive profits.

The drug industry has fortified itself behind its patents to establish unreasonably high prices for prescription drugs. The Federal Government, as the grantor, not only has the right to limit patents to protect the consumer, but has a clear duty to take such action.

For that reason, I am introducing today an amendment to title 35 of the United States Code to compel a patentholder who nets more than 400-percent profit on a specific patented drug to grant to other competing firms a license to produce the same drug, 3 years after the issuance of the patent.

Action to enforce this compulsory licensing would be taken by the Federal Trade Commission, after receiving a complaint from a qualified applicant who has been denied a license by the patentholder.

The Commission would hold hearings, and take testimony to determine if the price charged to retail druggists, 3 years after the issuance of the patent, is more than five times the cost of producing, packaging, and distributing the drug.

If that is the case, the Commission would order the patentee to grant an unrestricted license to any qualified applicant to make, use, and sell the drug in its finished form.

Thirty days after such an order becomes final, if the patentee still refuses to grant a license, the Commission would order the patent cancelled.

Mr. Speaker, this legislation is vitally needed to protect the sick and the aged from price gouging, while stimulating competition, encouraging essential research, and protecting reasonable profits.

The monopolistic protection of the patent laws often permits drug manufacturers to set arbitrary prices which frequently bear no relationship to the costs of developing, perfecting, and producing drugs.

This frequently means that the poorest among us are forced to pay unconscionably high prices for the medicaments they need, and the public tills of cities, counties, and States are also victims of the same overpricing.

Within the past few years, for example, we have had dramatic evidence of such overpricing in my own home city of New York. One typical case involved a certain broad-spectrum antibiotic, which was such a useful drug that the municipal hospitals and health services purchased 700,000 capsules a year.

The city paid the manufacturer $24.99 per bottle of 100 capsules, while small communities, using no more than a bottle or two a year, paid exactly the same price.

After a year of appeals for lower prices, the New York City comptroller finally took strong measures, holding up payment on a $180,000 bill presented by the manufacturer of the antibiotic. That got speedy results. It brought the firm to the negotiating table, and the city won an immediate 15-percent price reduction.

Last year, when the patent was close to expiration, the same firm offered the city a price of $18 a bottle for the same drug—almost 28 percent lower than the first price. Now that the patent has expired and competitors are free to enter the field, the city pays only $6.73.

How can any manufacturer justify a patent-supported price which is a full 3½ times the profitable market price of the identical drug without a patent?

We can no longer allow this industry to take advantage of stricken persons by squeezing out of them the last few dollars the traffic will bear, to reap excessive profits.

I have frequently heard the argument put forth by spokesmen for the drug industry that limiting the prices charged for prescription drugs would cut down on the funds available for research, which has resulted in many great advances in the healing arts. That argument is unfounded.

Major research is conducted by other industries without exaggerated markups. Despite what the drug manufacturers would have you believe, the high profits from exorbitant markups are not all plowed back into research.

In fact, pharmaceutical houses spend hundreds of millions of dollars each year to send promotion men into the field to push the sale of their overpriced products among physicians in private practice and on the staffs of hospitals. The big markups also pay for that.

I do not suggest that we eliminate normal sales promotion, nor that we bar recovery of a reasonable cost of such promotion in the final price of the product. But I do urge that action be taken immediately to curb those who would take advantage of monopoly to capitalize on human misery.

Mr. Speaker, there is a critical need for this legislation, and I trust it will be enacted with all possible speed.

FAIR PLAY FOR OTEPKA

The SPEAKER. Under previous order of the House the gentleman from Ohio [Mr. ASHBROOK] is recognized for 60 minutes.

Mr. ASHBROOK. Mr. Speaker, as most of us know, the controversial case of the State Department versus Otto Otepka, which is now being heard in secret hearings, has been a national issue since 1963. Involved, basically, is the right of an executive branch employee to give information to a congressional committee even though such information may prove embarrassing to the agency involved. A second issue in the case pertains to the right of a Federal employee to fair treatment in adversary proceedings within the Federal agency.

The hearings now in progress have been conducted in secret, over Mr. Otepka's objections. He contends that all classified documents have been made

public by the Senate, and as this has been a case of national importance, the American people have a right to know the details. In addition, the transcript of the hearings has been classified, not to be released to the public now or later. It will be remembered that the transcript of the celebrated Oppenheimer security case was subsequently made public, with some classified documents deleted. There is no precedent for this action on the part of the State Department. Finally, 10 of the 13 charges against Otepka have been dropped, those charges having to do with the mutilation and declassification of classified documents.

Concerning Otepka's background, he has almost 30 years in Government service, joining the State Department as a security officer in 1953. His efficiency reports up until 1960 were all highly favorable, and in 1958 he received a Meritorious Service Award signed by the Secretary of State John Foster Dulles for sustained meritorious accomplishment. Since September 1960, Otepka received no efficiency report although he requested them and despite the fact that State regulations require a yearly efficiency report. In 1963, well after he had become involved in the congressional hearings, he began getting complaints about his performance of duty.

Otepka's trouble began in November 1961 when he appeared before the Internal Security Subcommittee of the Senate Judiciary Committee with the express permission of his superiors. The inquiry concerned security practices of the State Department, and Mr. Otepka answered the questions truthfully, letting the chips fall where they may. In 1962 and 1963 he again made a number of appearances before the same committee. During this time, Mr. Otepka supplied three memorandums to the Senate subcommittee which are now the subject matter of the three outstanding charges against him.

With relation to three outstanding charges, State cites the Presidential directive of March 13, 1948, which forbids the disclosure, except as required in the efficient conduct of business, of "reports, records, and files relative to the loyalty of employees or prospective employees."

It would seem that they have conveniently overlooked title V, section 53 of the United States Code enacted in 1948 which reads:

> The rights of persons employed in the civil service of the United States . . . to furnish information to either House of Congress or to any committee or member thereof, shall not be denied or interfered with.

Also of interest to us as Members of Congress is a concurrent resolution passed by Congress in 1958, which is today known as the Code of Ethics for Government Service and which outlines 10 guidelines for the conduct of those in Government service. The very first guideline states:

> Put Loyalty to the highest moral principles and to country above loyalty to persons, party, or Government department.

In 1965 this Code of Ethics was made available to Members of the House in a large 19- by 12-inch multicolored format for distribution. The U.S. Civil Service Commission also disseminated the code in Departmental Circular 982 of December 2, 1958.

The mutilation-of-documents charges against Mr. Otepka, which have been leveled against him for 4 years and now have been suddenly dropped, merit further investigation. Of the original 13 charges, charges 5, 7, 9, and 11 pertain to the mutilation issue. When Mr. Otepka's lawyer inquired by letter of State whether he—Otepka—personally mutilated the documents, a State Department official answered that "the allegation is that Mr. Otepka was responsible for the mutilation of the documents in question, not that he personally mutilated them." It would seem that if State knew this much about the nature of the mutilation, they perhaps know who the actual mutilators are. Mr. Otepka has denied either committing the mutilation or ordering others to do so.

On June 1, the gentleman from Iowa, Congressman H. R. GROSS, inserted in the CONGRESSIONAL RECORD an article about the Otepka case from the May 31 issue of the Government Employees' Exchange, which throws more light on the mutilation issue.

In this article it is claimed that the State Department dropped the mutilation charges for fear that Otepka knows the identity of the actual mutilators and would expose them at the hearings. Furthermore, the article states that those actually responsible for the mutilations have indicated that, if compelled to do so, they will name those "top persons" at State who issued the orders for the mutilations and the planting of the documents in Mr. Otepka's burnbag.

The mutilation issue becomes even more important when one considers title 18, section 2071 of the United States Code:

> (a) Whoever willfully and unlawfully conceals, removes, mutilates, obliterates, or destroys, or attempts to do so, or, with intent to do so, takes and carries away any record, proceeding, map, book, paper, document, or other thing, filed or deposited with any clerk or officer of any court of the United States, or in any public office, or with any judicial or public officer of the United States, shall be fined not more than $2,000 or imprisoned not more than three years or both. (b) Whoever, having the custody of any such record, proceeding, map, book, document, paper, or other thing, willfully and unlawfully conceals, removes, mutilates, obliterates, falsifies, or destroys the same, shall be fined not more than $2,000 or imprisoned not more than three years, or both; and shall forfeit his office and be disqualified from holding any office under the United States. June 25, 1948, c 645, 62 Stat. 795.

As the State Department, as early as 1963, ruled that Otepka was guilty under the above-mentioned statute, why has he not been prosecuted? Either State was acting in good faith when they made the charge or this was another harassment tactic from the beginning. If the charge was made in good faith, why then was the case not prosecuted? And why the sudden dropping of the mutilation charges a short time ago? According to the Washington Post of June 7, the Justice Department officer who is representing the State Department at the hearings stated that the dismissal of the mutilation charges had nothing to do with proof. Evidently, then, State believes, or wants to create the impression that it has the necessary evidence to prove the mutilation charges against Otepka.

Again, I ask, why has not Otepka been prosecuted?

With regard to the decision of the State Department not to make public any portion of the transcript, it is possible that the Freedom of Information Act passed by the 89th Congress might be of relevance. This law was designed to allow the people of the Nation a greater insight into the actions of their Government and to stop unwarranted withholding of Government documents from public scrutiny. Without further study, I cannot say at the moment whether the issue of the transcript is covered by the act. However, I intend to look into the applicability of the statute with a view to amending it, if so needed.

When one contrasts Mr. Otepka's eagerness to have public hearings, the reluctance of State to publish even portions of the transcript is certainly suspect. As previously stated, there are no so-called classified documents which have not already been made available to the public. As previously noted also, in the case of J. Robert Oppenheimer, who was denied a security clearance by the Atomic Energy Commission, the transcript of the hearings, with some classified documents deleted, was made public. The American public thus had the opportunity to decide for themselves the merits of the Oppenheimer case. It will be remembered that a wealth of information was forthcoming from these hearings concerning known members of the Communist Party and their activities over the course of a number of years.

It is conceivable that a wealth of information will be contained in the transcript of the Otepka hearings—information that might be of assistance to the American public in appraising security procedures in the State Department. When one considers the record to date, the wiretaps, the false testimony before a congressional subcommittee, the hasty resignations of State Department officials, the mutilation and planting of documents and other abuses recorded in the subcommittee's 20-part hearings, it is urgent that the American people raise a storm of protest against the unwarranted secrecy of the Otepka hearings.

Where does Mr. Otepka go from here?

The decision of the State Department can, of course, rule against him or find him innocent of the charges. Should he be found guilty, he may appeal to the Civil Service Commission. In the event that the Commission decides against Otepka, he can find further recourse in the courts.

Although Mr. Otepka seeks vindication from the charges against him, his case has a much wider applicability. The interests of Federal employees in general are at stake here. If a Government agency can with impunity use underhanded and corrupt practices to force an employee from Government service, then practically no Federal employee is safe. If the trial and ordeal of Mr. Otepka can be used as a reminder against an

employee who puts loyalty to the country before loyalty to his department, then the age of Federal automatons is just around the corner. In this light it is incumbent upon Federal employees not to assume the attitude "better him than me." The general public has a stake in this case also, for the conduct of the Federal Government rests in part on the dedication and suitability of the Federal employee. If the person in Government employ acts like a marionette out of fear of top-level reprisals, then the science of government suffers. Fair and just treatment in the case of Otto Otepka must therefore be a prime and urgent concern of all.

Congress too has a key part to play in this affair. The record of abuses and questionable procedures provides material for a number of congressional committees, either House or Senate. The practice of the mutilation of documents certainly appears to come within the purview of legislative oversight. The arbitrary classification of documents by executive agencies needs investigation and definition if the abuse of classification as evidenced in this case is not to be repeated. It is also quite evident that a continuing study of security procedures in the State Department is called for.

In addition, it is necessary to resolve, by law if necessary, inconsistencies between Presidential Executive order and existing laws with respect to testimony before congressional committees. Further, it must be determined whether the "spirit," at least, of the Freedom of Information Act of 1966 has been violated in reference to the Otepka proceedings.

Needless to say, it would be criminal if the person or persons responsible for the mutilation and planting of documents in the Otepka case were to remain unexposed, perhaps to again use their expertise against fellow employees in the future.

For those who have followed the Otepka case over the years, this is but a superficial treatment. This is a case so vast and complex that only the salient points can be emphasized if corrective action is to be taken. To be sure, there are other Federal employees with the vigor and dedication of Mr. Otepka, but to date his case is unique in its object lesson of unswerving loyalty to country over loyalty to any Government department. I believe the American public will wait many a year before another case of such national prominence is handed to them for resolution. For, in the final analysis, they are both judge and jury. They can demand that the facts of the Otepka case be made known to all—or they can remain silent and allow this issue to become just a passing reference in the history books of their children.

Mr. GURNEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GURNEY. Mr. Speaker, I am pleased to have the opportunity to join in this special order concerning the case of Otto Otepka and the treatment he has received at the hands of his employers in the State Department.

Although the State Department has dropped 10 of the original 13 charges against Mr. Otepka, they have continued the practice of carrying on their hearings and inquisitions in secret and behind tightly closed doors. All the better to conceal the wire-tapping eavesdropping and other methods which could not be discussed in public, but which they have used to harass Mr. Otepka.

Not willing to let the accusations stand without a defense for his name and his record, Mr. Otepka has prepared himself to prove the charges false, and in addition, a willful frameup. It was this that caused the Department to drop the 10 charges.

Although Mr. Otepka was promised that a Federal judge would preside over his hearing, it turns out that it will be a secret one presided over by a State Department official. He is, it seems, to be granted the singular justice of being judged by his accusors.

Frankly, I do not know whether Mr. Otepka has done the things the State Department accuses him of. I cannot prejudge, any more than the Department has a right to. But I do feel that Mr. Otepka should be granted the opportunity to be heard and judged fairly, and that the only way to assure this is by an open hearing where the State Department will not be able to cover up its activities and injustices to Federal employees.

PRESIDENT JOHNSON AND THE UNTOLD PROGRESS STORY OF THE MEXICAN-AMERICAN COMMUNITY

The SPEAKER. Under special order of the House, the gentleman from California [Mr. ROYBAL] is recognized for 30 minutes.

Mr. ROYBAL. Mr. Speaker, one of the untold stories of the Johnson administration has been its concerted 3-year effort to strengthen job, school, health, and housing opportunities for the more than 5 million Mexican-Americans of this Nation.

I am pleased to tell part of that story to this House, first because I am proud to represent a congressional district and a State which has a large Mexican-American community, and second because the Mexican-American community is now being recognized by this administration.

I am also pleased to speak, because I am proud of my President and party leader, Lyndon B. Johnson, whose efforts to bring the Mexican-American into the open door of American life reflect the ideals of our Nation and the platform of the Democratic Party.

Last Friday was a truly significant day for Mexican Americans. On that occasion, President Johnson swore in Vicente Ximenes, of New Mexico, as the first American of Mexican descent to serve as a member of the U.S. Equal Employment Opportunity Commission. Mr. Ximenes is a most capable individual, a war hero and an economist, who has served this Nation in war and peace and who, I am sure, will continue to serve his country with dedication and distinction.

On the same occasion of his appointment to the U.S. Equal Employment Opportunity Commission, the President also established a new interagency Committee on Mexican-American Affairs to be headed by Mr. Ximenes. He also made public a special Cabinet Committee report entitled "The Mexican American—A New Focus on Opportunity."

This report is highly significant, not only for my District, but for all districts in those Southwestern and the various States of the Nation where Mexican Americans live.

It describes what has been done by the Federal Government under President Johnson, to improve the economic, educational, and health levels of the Mexican American through new Federal job training and manpower development programs, through Federal aid to local school districts, and through public health programs. It tells also of several appointments that have been made of Mexican Americans to high administrative positions.

But it is also a balanced report for it tells the sad story of the second largest minority in the United States, and shows how much more we must do in new programs to help the Mexican American, and how government and private business and the local community must cooperate if opportunity is to become a reality.

A start has already been made. In 1966, in my own State of California, the U.S. Department of Labor began a special $400,000 manpower training program for Mexican-Americans in Napa. It trained Mexican-American men and women in such varied occupations as nursing, metal working, and other employment.

In my own district, in Los Angeles, and in Oakland, Calif., more than 400 Mexican-American women are being trained this year as nurses and nurse aides.

This is just part of the story.

Across the country President Johnson's deep concern for the Mexican American youth is paying off in a variety of ways:

Five thousand Mexican American youths have enrolled in Job Corps centers.

Federal agencies have launched combined campaigns against unemployment and underemployment in large cities such as Los Angeles, San Antonio, Houston, Oakland, and others.

Similar efforts for Mexican-Americans have been carried out in education, public health, housing, and community development.

Massive immunization programs, protecting 1.5 million Mexican Americans from polio, diphtheria, whooping cough, tetanus, and measles, are conducted in a typical year by the U.S. Public Health Service.

Hundreds of thousands of Mexican American school children have already benefited from the extra teachers, smaller classes, books and materials provided by the millions of Federal dollars invested in local school districts under the Elementary and Secondary Education Act of 1965—the first law ever to

approve Federal aid for public schools, directed specifically at helping poor children. May I say that I am proud to have stood with the President and voted to send this historic bill through the Congress.

The U.S. Government has been engaged in a special effort to upgrade the status, health, pay, and education of the migrant farmworker—at least a million of whom are Mexican-Americans.

Two few people care deeply about the plight of the farmworker. But Lyndon Johnson, his administration and this Congress care.

This year the Office of Economic Opportunity is devoting over $25 million alone to antipoverty programs for the migrant worker.

We are enforcing new minimum wage regulations which directly affect the economic future of the Mexican-American. And it was the 89th Congress—I am proud to say—which for the first time in our history brought farmworkers under the national minimum wage and hour act.

There are many other successes which could be cited. The appointment of Vicente Ximenes to these two important posts is perhaps the most significant, but just the beginning, toward the final emancipation of a people rich in American heritage but too long unfairly relegated to a status of underprivileged minority.

The report made public by the President Friday underlines the poverty, discrimination, low wages, and low educational attainment which the Mexican American suffers. And it declared: "The trend of discrimination and deprivation must be reversed."

Yes, Mr. Speaker, that trend must be reversed by our Government, by the private business community, and by the leaders of local communities working together throughout the country. Government alone cannot create total opportunity by law. But government can lead the way by demonstrating that equality of opportunity is made available to all its people.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. ROYBAL. I yield to the gentleman.

Mr. KAZEN. Mr. Speaker, no one was more pleased than I when the President nominated a longtime friend, Vicente Ximenes to the Equal Employment Opportunities Commission some 2 months ago. The Senate approved that nomination and Mr. Ximenes was sworn in last week. As one who was born under the influence of the Latin culture of the Southwest, as one who spoke Spanish by the time I spoke English, and as a Congressman who has a large number of Latin Americans among my constituency, I have a special interest in the Equal Employment Opportunities Commission and in this appointment.

When I was first asked my opinion on Mr. Ximenes prior to his appointment, I unreservedly endorsed him as one of the most competent men in his field. I know Mr. Ximenes as one who has made his own way by virtue of his talents and by his own ability; as one who rose from modest beginnings. I know Vicente Ximenes as a person who knows the problems of minority groups, who understands the special problems of the Latin American, and who is dedicated to erasing all inequality in America.

He has shown by his achievements in life that he has the understanding and the ability to open new doors of opportunity for all people.

President Johnson, a man of our own land, also knows some of the problems. He taught school at Cotulla, a community in my district that I know well. The people of Mexican ancestry in my district have long known the President as a man of compassion, as one who has worked all his public life to provide equal opportunity to all. Under his administration, America has made vast strides; much more needs to be done, and the President recognizes this. Certainly anyone who knows my part of the country also knows the limitations of opportunity that we are all trying to erase. I do recognize the problems and we are trying to do something about them.

I want to add my voice to those who compliment President Johnson on his excellent choice of Vicente Ximenes. I want to add my voice in praise to a President who has not only made a pledge to open avenues of opportunities to Latin Americans of this country, but to bring them fully into the mainstream of a full life, and includes work and recognition for talent and ability. In naming a Cabinet-level committee headed by Vicente Ximenes, he is being true to his pledge and gives real meaning to his promise. The President, always an activist, has now provided the vehicle for the implementation and coordination of programs. That truly has to be the greatest recognition of the Latin American community in the history of this Nation.

A look at President Johnson's record reflects his own attitude toward these citizens. He has named my fellow Laredoan, Oscar Laurel, to the National Transportation Safety Board. He has named Raymond Telles, a former Ambassador to Costa Rica, as the Chairman of the U.S. section of the Joint United States-Mexican Commission on Economic and Social Development of the Border Areas. Just recently, he nominated another Spanish-speaking American, Benigno C. Hernandez, Ambassador to Paraguay. And still another, Dr. Hector Garcia, as a member of the National Advisory Council on Economic Opportunity.

Since my childhood, I have heard of the Government's failure to recognize talent of our Mexican-American people, and I was inclined to believe that, until recently, this had been the case. No more—for President Johnson has changed all this. I am proud to say that I have long been one of those who advocated that policy since I first became a public official 20 years ago. I have conferred with President Johnson on this very subject many times over the years; when he was a Senator, when he was majority leader, when he was Vice President, and since he has become President. I personally know of his interest and I know we are going to see some real achievement in this field.

I thank the gentleman for yielding.

Mr. ROYBAL. I thank the gentleman for his kind remarks. May I state that his knowledge of the Spanish language as well as his knowledge of the problems of Mexican-Americans are both excellent.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. ROYBAL. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Speaker, I wish to compliment my colleague from California for taking the time today to discuss this vital matter. Mr. Speaker, I join my colleagues in hailing the President's decision to create a Cabinet Committee on Mexican-American Affairs. This is a long overdue and badly needed step forward to ending the historic neglect of the problems and opportunities of the Mexican-American community.

The Committee will be headed by Mr. Vicente T. Ximenes, a new Commissioner on the Equal Employment Opportunities Commission. Mr. Ximenes is from New Mexico, and most recently he has been working for the Agency for International Development in Panama.

Other members of the Cabinet Committee will be Secretary of Labor Willard Wirtz; Secretary of Health, Education, and Welfare John Gardner; Secretary of Agriculture Orville Freeman; Secretary of Housing and Urban Development Robert Weaver; and Sargent Shriver, Director of the Office of Economic Opportunity. Their primary responsibility will be to assure that on-going programs of the Federal Government are reaching Mexican-Americans and seeking out new solutions and approaches to handle the problems unique to this community.

Today, there are more than 5 million Mexican-Americans, concentrated primarily in the five Southwestern States of California, Texas, Arizona, Colorado, and New Mexico. This means that there are more Mexican-Americans than residents of the city of Chicago, or about as many as residents of the State of Massachusetts.

More important than the size of the Mexican-American population, however, is the startling and disturbing fact that, as a whole, they are one of the most impoverished groups of our otherwise affluent society. This is especially graphic in California where the contrast between the leisurely, informal, abundant way of life of the majority community—an image we all know too well—and the squalid, bleak existence of the barrio is as great as the physical contrasts within this great State.

My own congressional district contains the second largest population of persons with Spanish surnames in the State of California. The Mayfair neighborhood is the core of this population, almost 4 miles from downtown San Jose and isolated from the mainstream of city life.

Since 1960, the increase in population in the area from 4,700 to 7,200 has been 43 percent Mexican American. The residents clearly do not share in the relatively high level of economic and social life in the San Jose metropolitan area and this gap widens every year. In 1966, the county unemployment rate dropped

to 3.1 percent while in Mayfair, 14 percent of the labor force was unemployed. In 1965, the median family income in Mayfair was $3,200 lower than the county figure. And in education, the countywide average of educational attainment is 12.2 years—compared with an appallingly low 8.8 years for the Mayfair resident.

These statistics indicate the grave plight of this community—one which is worsened still by barriers of culture and language, by the suburban isolation of the area and the lack of transportation and mobility, and by public neglect of the most basic metropolitan facilities such as streets, curbs, sidewalks, and drains.

These problems in employment, health, and education are substantial. They are unique as well, for it is estimated that less than half of the residents of Mayfair speak little or no English. This additional problem of a language barrier has become the foremost obstacle to obtaining either employment, health, or any of the other needed social services. It is an obstacle, even, to obtaining an education—for the Spanish-speaking child falls far behind in his other subjects while he is learning the new language. Indeed the dropout rate is one of the highest for any group in America and understandably so.

Mexican-Americans clearly do not have the equal opportunity they deserve as citizens of this country. Yet the Mexican-American heritage and culture is strong and stimulates a wealth of pride and good feeling. I believe that the socio-economic problems of the Mexican-American community can be successfully attacked and resolved without an obliteration of this heritage. Equality does not mean a loss of cultural identity—for the Mexican-American or for any other group in America. It does means that because a child has a Spanish surname, he will not necessarily be more inclined to drop out of school before the ninth grade, to be unable to find a satisfying and adequately paying job, to live in rundown housing in neighborhoods without streets and curbs, to be more susceptible to disease and to early death, due to lack of medical care.

This is why the President's Cabinet Committee on Mexican Americans Affairs takes on such great importance today. There is a large and exciting job to be done and I want to assure the President, Commissioner Ximenes, and the entire Committee of my hearty support and fervent hope that they will bring to this community the needed and deserved attention of the whole Nation.

I thank the gentleman for yielding.

Mr. ROYBAL. I thank the gentleman for his kind remarks. May I state that, as usual, he is always in the forefront fighting for equality for all Americans.

Mr. MILLER of California. Mr. Speaker, I thank the gentleman very much for yielding to me.

I join with what the gentleman has said and what has been said by others about this forward step that is being taken to give recognition to the plight of many of our citizens who have been underprivileged. When we speak of Mexican-Americans, it sometimes takes on the connotation of a foreigner, but in California many—perhaps the majority—of the so-called Mexican-Americans antedated the Anglo-Saxon culture in California. They are the original natives of California, and we are proud of them.

I believe what the President has done is not only commendable but it is in the greatest interest of our own country, because the results of the last few weeks, the tragedies that have taken place, should point up to us that our interests must lie in the Western Hemisphere, and the culture of the countries south of the American border is the Latin culture that the Mexican-Americans have. It is to our interest not only to protect them here, but through this, as a recognition of this problem, to protect our own selfish interests in bringing about a better understanding with our neighbors of South and Central America.

I thank the gentleman for what he has done and the others who have spoken here today on this grave problem.

Mr. ROYBAL. Mr. Speaker, I thank the gentleman for his statement. I must say I agree wholeheartedly with him, particularly when he pointed out that the Spanish speaking of this country can trace their ancestry to the time prior to the landing of the Pilgrims. It was the Spanish speaking who brought culture and religion to this hemisphere.

Mr. MILLER of California. Mr. Chairman, if the gentleman will yield again, may I say we in California are very proud of the Spanish heritage that was brought by the people from south of California. It is something that we cherish.

Our laws, incidentally, find their basis in the old Spanish law rather than in the Anglo-Saxon law. One of the things that has always been of interest to me is the fact that we have community property laws, where under the Mexican or Spanish culture we treat our wives as our equals and not as chattels, as they were treated in Anglo-Saxon law.

Mr. UDALL. Mr. Speaker, I am glad to participate in this special order and to add my own comments on recent events focusing attention on the Spanish-speaking population of our country.

For too long the problems of this segment of our population have lacked the public appeal that creates the atmosphere necessary for remedial action. Many of us from the Southwest have in our own ways sought to remedy the very real problems that plague the Mexican-American communities. But the magnitude of these problems requires concerted effort at the highest levels of our State and Federal Government.

These are problems that manifest themselves in such shocking statistics as unemployment rates twice as high as those of their fellow Americans, education attainment levels fully 4 years behind their fellow Americans, and incomes that place slightly more than one-third of these families below the poverty line.

It is this type of long-standing poverty, Mr. Speaker, that President Johnson is correctly attempting to eradicate. I am convinced the President's appointment of Vicente Ximenes to the Equal Employment Opportunity Commission and his Executive order creating an Interagency Committee on Mexican-American Affairs will contribute much toward helping these people share in the prosperity of the Nation.

Of course, there are those who question the need for special emphasis on the problems of these people, or who say that these fine people do not really have problems.

To these critics, Mr. Speaker, I commend some statistics which factually portray conditions of the Spanish-surnamed in comparison with their fellow Caucasians commonly known as Anglo-Americans, or Anglos in the Southwest. I have had some charts prepared, Mr. Speaker, and without objection I would like to insert them at this point in the RECORD.

Percent distribution of families with income below $3,000

	Anglos	Spanish-surnamed
Arizona	18.2	30.8
California	13.3	19.1
Colorado	18.1	35.0
New Mexico	22.4	41.5
Texas	25.2	51.6

Percent distribution of school years completed, for males age 14 and above

	Anglos	Spanish-surnamed
Arizona:		
Less than elementary	18.7	51.9
Less than high school	56.9	85.5
Less than college	90.8	98.2
California:		
Less than elementary	13.5	37.4
Less than high school	51.5	76.4
Less than college	89.4	97.3
Colorado:		
Less than elementary	13.7	39.9
Less than high school	52.8	82.0
Less than college	89.3	97.7
New Mexico:		
Less than elementary	20.9	44.4
Less than high school	57.1	81.1
Less than college	90.2	97.4
Texas:		
Less than elementary	26.9	64.7
Less than high school	60.7	87.8
Less than college	91.1	98.2

These figures, Mr. Speaker, portray only part of the hard-core difficulties facing the Mexican American. I am therefore grateful that the President has created the Interagency Committee and I assure the President he will continue having my support on behalf of legislation or Executive efforts to help bring our Nation's prosperity to all of its inhabitants.

Mr. TUNNEY. Mr. Speaker, I would like to join my colleague from California, ED ROYBAL, in praising the progress achieved thus far by the Mexican American community and in the recognition that much more needs to be done before equal opportunity is achieved.

An important step on this avenue of progress was made on June 9 when President Johnson swore in Vicente Ximenes as the first Mexican American member of the U.S. Equal Employment Opportunity Commission. The President also established a new Interagency Committee on Mexican-American Affairs to be headed by Mr. Ximenes, as well as making public a comprehensive Cabinet Com-

mittee report entitled "The Mexican American—A New Focus on Opportunity."

The Congress must take an active part in the improvement of job training and job opportunities. housing, health care, recreation and education. These are areas where a great deal of progress has been made but where the end is not yet in sight. The burden of chronic unemployment has been lessened but has not yet been removed. State, local, and Federal Governments in cooperation with private industry and other private groups must exert maximum effort to strengthen and improve economic opportunities. America has the resources to meet these challenges and cannot afford in good conscience to seek less than the complete fulfillment of this goal.

Mr. Speaker, I am including as a part of my remarks, statements from the swearing-in ceremony of Vicente Ximenes at the White House on June 9. These significant documents follow:

THE WHITE HOUSE,
June 9, 1967.

Memorandum for Hon. W. Willard Wirtz, Secretary of Labor; Hon. John W. Gardner, Secretary of Health, Education, and Welfare; Hon. Orville L. Freeman, Secretary of Agriculture; Hon. Robert C. Weaver, Secretary of Housing and Urban Development; Hon. R. Sargent Shriver, Director, Office of Economic Opportunity; Hon. Vicente Ximenes, Commissioner, Equal Employment Opportunity Commission.

Over the past three years, many members of my Administration have had discussions with Mexican American leaders and others interested in their problems. They have discussed the value of our programs to Mexican Americans in their search for equal opportunity and first-class American citizenship.

The time has come to focus our efforts more intensely on the Mexican Americans of our nation.

I am therefore asking the Secretary of Labor, the Secretary of Health, Education and Welfare, the Secretary of Housing and Urban Development, the Secretary of Agriculture and the Director of the Office of Economic Opportunity to serve on an interagency committee on Mexican American affairs. I am asking Commissioner Vicente Ximenes of the Equal Employment Opportunity Commission to chair this committee.

The purpose of this committee is to assure that Federal programs are reaching the Mexican Americans and providing the assistance they need and seek out new programs that may be necessary to handle problems that are unique to the Mexican American community.

I am also asking this committee to meet with Mexican Americans, to review their problems and to hear from them what their needs are, and how the Federal Government can best work with state and local governments, with private industry and with the Mexican Americans themselves in solving those problems.

I would like to be kept informed, at periodic intervals, of the progress being made.

LYNDON B. JOHNSON.

RELEASE FROM OFFICE OF THE WHITE HOUSE PRESS SECRETARY

New avenues of opportunity are being opened for the Mexican American citizen under Federal programs, the President was told today in a special report from Cabinet members.

These beginning efforts on behalf of more than five million members of the Mexican American community mark the first chapter in a determined campaign to help this minority group, the report stated.

The report was submitted to President Johnson by the Secretary of Labor; the Secretary of Health, Education, and Welfare; the Secretary of Agriculture; the Secretary of Housing and Urban Development; and the Director of the Office of Economic Opportunity.

The Report entitled "The Mexican American—A New Focus on Opportunity" summarized steps taken since 1963 to foster equal opportunity and improve education, employment, wages, health and housing for Mexican American citizens. The report finds:

90,000 Mexican American youths have been enrolled in Neighborhood Youth Corps programs since 1964.

34,000 Mexican American children participated in Headstart programs last summer.

The Office of Economic Opportunity has provided almost $25 million for anti-poverty programs to upgrade health, education and housing facilities for Mexican American migrant workers and their families.

In California, $8.5 million in Federal funds over the past two years have helped the State Office of Economic Opportunity mount successful programs for thousands of migrant workers and their families in public health services, day care centers for children, education and mobile housing facilities.

U.S. Public Health immunization programs in the Southwest are protecting more than 1.5 million Mexican Americans from polio, diphtheria, measles and other infectious diseases.

The Elementary and Secondary Education Act of 1965 has provided additional teachers, equipment and special language programs for thousands of Mexican American school children.

New minimum wage requirements, for the first time covering farm workers, are helping Mexican American farm workers who have traditionally received low wages.

Individuals and cooperatives in five Southwestern States have received $45 million in Department of Agriculture loans to build new housing, water and recreational facilities.

The Cabinet Report concluded that new progress for the Mexican American community can be achieved through the President's new legislative proposals in the war on poverty, education and civil rights—all designed to expand opportunities for Mexican-Americans as well as for all American citizens.

The Report concluded that this is "only the first chapter in what will become a record of solid accomplishment for the Johnson Administration—a new focus on opportunity for the Mexican American citizen of this land."

REPORT TO THE PRESIDENT—THE MEXICAN AMERICAN

A NEW FOCUS ON OPPORTUNITY

Today, in San Antonio, Texas, new job opportunities have been developed for 1,153 Mexican American students in an in-school Neighborhood Youth Corps project supported by almost a million dollars in U.S. Department of Labor funds.

In Los Angeles and Oakland, California, more than 400 Mexican American women are receiving professional training as nurses and health workers under U.S. Office of Education programs.

In Durango, Colorado, a local Community Action Group organized a neighborhood center for 100 Spanish-speaking residents using antipoverty funds. There were no paved streets in the area, or recreational, safety or medical facilities. Today the city health department is providing needed services to that area. The State employment service has placed a job counselor in the neighborhood. And street lights have been installed.

In 1966 the student body of Ben Bolt Palito Blanco School District, Texas—almost all of them Mexican Americans—produced their first student newspaper, tripled the number of books they read, and advanced in reading ability by one to four grades, with the aid of volunteers from the National Teacher Corps.

At Three Rocks, near Fresno, California, Mexican American families once living in condemned housing, are now building their own attractive homes with a $113,000 grant from the U.S. Office of Economic Opportunity, and have formed their own *El Porveni-Development Corporation.*

In Sandoval, New Mexico—where 40 percent of the population is Mexican American—300 residents received technical training in a dozen different fields, while an additional 200 enrolled in basic adult education centers under the auspices of the U.S. Department of Agriculture.

In El Paso, Texas, 1,320 low-rent housing units occupied predominantly by Mexican American families are being improved and rehabilitated with grants from the Department of Housing and Urban Development.

Individuals and cooperatives in five Southwestern States have received $45 million in Department of Agriculture loans to build new housing, water and recreational facilities. Many of the participants and beneficiaries are Mexican Americans.

Six months ago some of these projects did not exist.

Three years ago they were only ideas.

Today, they are examples of progress.

But we must not be satisfied with our achievements to date. We have begun what must be a long and determined campaign to help the Mexican American community. And we must persevere in that effort.

THE MEXICAN AMERICAN AND THE HISTORIC ROOTS OF INEQUALITY

The Mexican American was an American long before this land became the United States.

He embodies traditions, language and culture which predated our own by hundreds of years.

Yet, in many respects, the Mexican American has been a neglected American. He continues to face severe handicaps in language, jobs, education, health and housing opportunities.

He has sought, but has too often been denied, the dignity and fruit of well-paid labor. He has sought, but has often been denied, the proper tools of education for his children. He has sought—but has often suffered because of it—to maintain his own proud traditions in a free society where differences should be respected and cultural diversity encouraged.

The Mexican American—more than 5 million strong—represents the second largest minority group in our country. But like many minority groups he has often had to turn to government to protect his rights and encourage his advancement.

Government has an obligation to match the promise of American opportunity with action—in employment, a decent wage, better education, improved housing, improved community facilities, and the guarantee of civil rights which every American expects.

Government in the last three years has begun to fulfill those obligations in ever-increasing measure for all our citizens.

In the past three years, your Administration has more than doubled its investment in the most diverse health and medical program in history, from $5.1 billion to $12.4 billion. Twenty major health measures were passed by the Congress.

In the same period, Federal funds for education of our children tripled—from $4.7 bil-

lion to $12.3 billion, as law after law was approved by the 88th and 89th Congresses.

We have included for the first time more than 9 million new workers under a higher minimum wage.

Today, the United States Government is investing more than $25 billion in a concerted war against poverty and deprivation to help its citizens share the fruits of American prosperity and education.

Under U.S. manpower and training programs, over one million men, women, and young people have been trained or retrained for new skills and occupations.

This, then, is our report on how opportunity specifically for the Mexican American citizen has been given a new focus under the advances of your Administration.

JOBS—AN IMMEDIATE NEED

There is no more fundamental problem facing the Mexican American community today than the need for goods jobs and job training.

Mexican American citizens must not only know that good jobs exist, they must be trained to hold them, and they must believe that government will fight job discrimination wherever it is found.

Progress has been made.

During your Administration:

90,000 Mexican American youths have enrolled in the Neighborhood Youth Corps since that program began in 1964.

5,000 Mexican American youths have enrolled in Job Corps Centers.

In June, 1966, Operation SER—initiated at your direction—began developing programs to help disadvantaged Mexican Americans obtain training, counseling and jobs throughout the Southwest area.

The more than half million dollar project—to which is committed another $5 million for programs it develops—was started by the U.S. Department of Labor and the Office of Economic Opportunity in cooperation with such Mexican American organizations as the American GI Forum, the League of United Latin American Organizations and the Community Service Organizations.

The area of New Mexico, Colorado, Utah and Arizona has been designated a special economic region under the Economic Development Act. The area will receive special Federal grants to help create new industry and more jobs for residents—many of whom are Mexican Americans.

In late 1966, the Department of Labor began a $395,000 manpower training program in diverse fields such as nurse training and metal work for more than 100 adults in Napa, California, most of whom are Mexican Americans.

Federal agencies have launched a combined campaign against unemployment and underemployment in large cities where there are concentrations of Mexican American populations, such as Los Angeles, San Antonio, Houston, and Oakland. A similar effort will soon begin in Phoenix, Arizona.

EDUCATION—A FUNDAMENTAL CONSIDERATION

Education is the essential entry point into the mainstream of American society for any child.

If educational opportunity is limited; if a child feels ethnically isolated or neglected; if the fundamental values and traditions of our society come through to him in a dilapidated school, with inadequate teachers, no funds for extracurricular activity, and with emphasis on the child's social inferiority—then the result will be a turning away from society and a closing of the mind to advancement and attainment.

This is what has happened to many of the children of minority groups in our country. It is what has happened, in too many instances, to the Mexican American child.

The time has come for us to redress the errors of the past.

The time has come for an intensified program to provide compensatory treatment and vastly improved facilities for the Mexican American school child who has been denied quality American education.

During the summer of 1966, 34,000 educationally deprived Mexican American children were enrolled in successful Head Start programs.

In 1966, 15,000 Mexican American children were enrolled full time in year-round Head Start projects in five Southwestern States. Their numbers represented almost 10 percent of all children enrolled in Head Start programs in the entire country.

The U.S. Office of Education has established a completely new unit which will concentrate on educational programs for Spanish-speaking children, and has appointed a group of distinguished laymen mostly Mexican Americans, to an Advisory Council on Mexican American Education.

Under the first Federal aid law for public schools ever enacted—the Elementary and Secondary Education Act of 1965—thousands of Mexican American students in schools throughout the Southwest have already received the benefits of smaller classes, additional teachers, more books and equipment and bilingual programs which recognize the special language needs of these children.

Federal aid through the National Teacher Corps has enabled many Southwestern State school districts to supply specially trained teachers as classroom aides and to introduce new extracurricular activities in such cities as South San Gabriel, California; Rio Grande City, Texas; and Riverside, California.

The Federal Government is sponsoring adult basic education programs for 50,000 Spanish-speaking citizens in New Mexico, Texas and California.

The U.S. Office of Education has made a series of grants to State Education agencies for programs designed to improve educational opportunities for the children of migrant farm workers. During the past eighteen months, sixteen grants were made to local educational agencies throughout the Southwest for programs which will specifically assist schools with a high proportion of Mexican American students.

In addition, six summer training institutes have been established to train teachers working with Mexican American school children.

In short, government programs in education are beginning to focus on the unique problems of the Mexican American citizens in the Southwest. However, we recognize that we must continue to encourage and support programs which will raise the educational horizons of disadvantaged Mexican American students and provide them with an equal chance to fulfill their educational potential.

HEALTH—THE BASIC NECESSITY

We shall never have a strong society until every individual enjoys the best and most modern health protection and services available, regardless of his status, ethnic background or ability to pay.

The Mexican American—like too many other Americans—has been deprived of quality medical and health services for too long. But government has begun to move ahead more vigorously in the last three years to meet his medical and health needs, as it has made strides toward meeting the health needs of other deprived Americans.

In a typical year, U.S. Public Health immunization programs in the Southwest protect over 1.5 million Mexican Americans from polio, diphtheria, whooping cough, tetanus, and measles.

A tuberculosis control program in the same area reached over 28,000 Mexican American citizens.

More than 25,000 Mexican Americans will benefit from 38 community mental health centers in the five Southwestern States.

The Department of Agriculture special milk and school lunch program in the Southwest contributes to the nutritional needs of hundreds of thousands of Mexican American children. Over $28 million is spent annually for school and other nutritional programs.

THE MEXICAN AMERICAN IN THE CITY

Proportionately more Mexican Americans live in cities than do all Americans, taken together; 79% for Mexican Americans, 70% for all Americans. It is important then, that efforts to improve conditions of life for Mexican Americans be directed toward cities. Illustrative of efforts of this kind, the following examples of programs of the War on Poverty seek problems of the Mexican American in the city with special emphasis:

East Los Angeles now has a separate Community Action organization to receive Federal anti-poverty funds, run by a Board of Directors which is, in majority, Mexican American. This group runs a variety of programs including Head Start, Neighborhood Youth Corps, adult and youth employment programs.

Phoenix and its adjoining areas are operating Community Action programs through Boards of Directors with heavy representation of Mexican Americans from low-income areas.

A similar situation exists in the San Diego and Riverside areas, which also provide a wide selection of OEO programs.

Laredo, Texas, where 80 percent of the people are Mexican American, has been selected as a pilot city for the War on Poverty. Over a million dollars has been granted to date in a comprehensive attack on extreme poverty in Laredo.

THE MEXICAN AMERICAN IN RURAL AMERICA

Nearly one out of five Mexican Americans lives in a rural area. They are engaged in helping to produce food and fiber. They are participating in the programs that contribute to the economic development of the countryside and in "building a New Rural America."

A more prosperous and more attractive rural America with higher per person and per family income, and more nearly adequate community facilities will end greater opportunity for Mexican Americans.

Through many of the programs of the U.S. Department of Agriculture, Mexican American rural residents are begining to break the chains of deprivation.

During the past two years, in New Mexico, several thousand Mexican American families, many of whom own small farms, received the benefits of a special Agricultural Conservation Program. Under this joint Federal-State program, water supplies are being conserved and farming can be carried out more efficiently.

Home economists, many of whom are Mexican Americans, are visiting thousands of poor Mexican American families in the Southwest, providing counseling on homemaking, the family budget, sewing and food preparation.

In the counties of five Southwest states, 11,000 Mexican American farm families are receiving technical assistance and help in applying sound conservation practices through cooperative agricultural programs. Special attention is being given to the problem of meeting the hazards of drought.

Last year, grazing permits for national forest land were held by 1,250 Mexican American families. These permits made it possible for farmers who operate small ranches to graze their cattle on the forest at minimum fees.

Last year, the harvesting and processing of timber from the national forests provided employment for over 1500 Mexican American wood and mill workers from the countryside.

THE MIGRANT WORKER

Thousands of seasonally employed American workers, and their families, lead hard,

uncertain lives. For them, employment is determined not by their abilities or opportunities, but by the calendar. Among them are 2 million migrant farm workers in the United States—almost a million of whom are Mexican Americans. They have often had to pick a meager living from the soil, "travelling everywhere but living nowhere." They have often been referred to as forgotten Americans.

But Government is determined that these workers will not be forgotten.

Government agencies and departments during your Administration have been engaged in a vigorous program to improve the status, health, economic security, education, and potential of the migrant farm worker.

This year, the U.S. Office of Economic Opportunity devoted $41 million to anti-poverty programs involving migrant workers and their families. Sixty percent of those funds—or almost $25 million—has been used in programs to help Mexican American migrant workers.

In California, almost $8.5 million in Federal funds in the past two years have helped the State Office of Economic Opportunity mount a comprehensive program for thousands of migrant workers and their families in public health, day care centers for children, local classes and mobile housing for migrants.

In Texas alone, where there are more than 100,000 migrant workers—the vast majority of them Mexican Americans—anti-poverty funds provided full-time classroom instruction for 38,000 children of migrant families and to 8,300 of their parents in the improvement of language skills in both English and Spanish.

The Government is enforcing new minimum wage requirements adopted under your Administration which for the first time cover farm workers. This is particularly meaningful for Mexican American farm workers who have traditionally received low wages.

Regulations regarding the use of foreign farm workers have been tightened to enlarge employment chances for American workers. Steps are also being taken to improve housing for farm workers and to keep youngsters out of hazardous farm jobs.

Again this summer the U.S. Public Health Service will provide needed medical and health services to migrant workers through grants to States and local organizations. Since 1964, under the Migrant Health Act, funds have increased from $1.5 million to $7.2 million.

THE MEXICAN AMERICAN IN GOVERNMENT

The strength of democratic government has always been the diversity of the men and women in it—men and women from all groups, levels and stations of American life.

You have demonstrated in your three and one-half years in office a willingness and a readiness to reach out into the community to select highly qualified and capable men and women of all races, religions and national origins to guide and administer the policies of your Administration.

Among your appointments have been men like *Vicente Ximenes* of New Mexico, to the Equal Employment Opportunity Commission.

Raul H. Castro of Arizona, as Ambassador to El Salvador.

Recently you appointed *Benigno C. Hernandez* of New Mexico as Ambassador to Paraguay.

You appointed *Ambassador Raymond Telles*, of Texas, to the Chairmanship of the United States Section of the Joint United States-Mexican Commission on economic and social development of the border area.

You have also appointed:

Oscar Laurel of Texas, to the National Transportation Safety Board;

Emilio Naranjo of New Mexico, United States Marshal for the District of New Mexico;

Dr. Hector Garcia of Texas, to the National Advisory Council on Economic Opportunity;

Dr. Julian Samora of Indiana and *Herman Gallegos* of California, to the President's Commission on Rural Poverty;

Armando Rodriguez of California, to the new post of coordinator of educational programs for the Spanish-speaking in the United States Office of Education.

Gonzalo R. Cano of California, was recently named to the Community Relations Service, and *Philip Montez* of California, to a key post with the Civil Rights Commission.

Tom Robles of New Mexico is Southwest Regional Director for the Equal Employment Opportunity Commission.

The Department of Labor has named *Daniel Chavez* of New Mexico, Bureau District Director for Northern California and Nevada; *Dr. Fred Romero* of Colorado, Deputy Regional Director, Neighborhood Youth Corps for Dallas, Texas; and *John C. Otero* of New Mexico, as one of four Coordinators for the Labor Department's Special Impact Program. *Albert Cruz* of New Mexico, has been appointed to the Department's Office of Manpower, Policy, Evaluation and Research.

The Department of Health, Education, and Welfare has also appointed: *Miss Lupe Anguiano* of California, to the Office of Education; *Daniel Galvan* of Texas, to the Public Health Service's civil rights compliance staff in Dallas; and *Alex Mercure* of New Mexico, to the National Advisory Council on Adult Basic Education.

The Office of Economic Opportunity appointed *Leveo V. Sanchez* of New Mexico, to the directorship of its Middle Atlantic Region; and named *Mrs. Graciela Olivarez* of Arizona, to its ad hoc Committee to Coordinate National Volunteer Efforts on the War on Poverty.

The Department of Agriculture recently appointed *Louis P. Tellez* and *Carlos F. Vela* as special consultants.

The departments and agencies of government will continue their search for Mexican Americans for the public service.

THE MEXICAN AMERICAN AND THE AMERICAN FUTURE

Two years ago you said:

"We are not trying to give people more relief—we want to give people more opportunity . . . They want education and training. They want a job and a wage which will let them provide for their family. Above all, they want their children to escape the poverty which has afflicted them. They want, in short to be part of a great nation, and that nation will never be great until all of the people are part of it."

We must do a better job or recognizing those aims for the Mexican American community.

As this report shows, much has been accomplished on many fronts. More will have to be accomplished on *all* fronts.

The Mexican American represents 12 percent of the population in the American Southwest. But he represents 23 percent of those who live in poverty in that region.

The most recent census figures available—1960—showed that the Mexican American citizen in the Southwest:

Had an unemployment rate almost double that of the rest of the population.

Had an annual income of little over half that of other citizens—$2,084 compared with $4,337.

Occupied five times as many dilapidated housing units.

Completed little more than half the number of school years of the rest of the population.

This trend of discrimination and deprivation must be reversed.

But reversal of inequities is not enough. We must work harder and devote greater resources to new opportunity programs. And government alone cannot bear the full responsibility for creating opportunity.

Government must have the strong and willing cooperation of the American business community and local community leadership throughout the nation. For opportunity will be but a mere slogan without the commitment, dedication and full imaginative use of the resources of the American free enterprise system. It is America's productive power which has raised our citizens to the highest standard of living in world history. We cannot permit any citizen to be excluded from sharing in the fruits of that prosperity.

We look, too, to the future and your legislative proposals which would strengthen the war against poverty, improve educational opportunity and upgrade civil rights laws. All of these will benefit Mexican Americans as they benefit all Americans.

This report is, we believe, only the first chapter in what will become a record of solid accomplishment for the Johnson Administration—a new focus on opportunity for the Mexican American citizen of this land.

Submitted to the President on June 9, 1967.

W. WILLARD WIRTZ,
Secretary of Labor.
JOHN W. GARDNER,
Secretary of Health, Education, and Welfare.
ORVILLE L. FREEMAN,
Secretary of Agriculture.
ROBERT C. WEAVER,
Secretary of Housing and Urban Development.
SARGENT SHRIVER,
Director, Office of Economic Opportunity.

Mr. BROOKS. Mr. Speaker, one of the first signs of expanded equal employment opportunity in the United States has always been the entry of minority groups into government.

I am immensely pleased to point out that, contained in a Cabinet report on Mexican-Americans released by the President last week, there is one entire section devoted to the growing number of Mexican-Americans in high positions in the U.S. Government.

This has been typical of President Johnson in his almost 4 years as President.

He has reached out into the community to select men and women of quality and merit without regard to their national origin, their language, their race, or religion.

This is American opportunity at is best.

And the record of the Johnson administration on equal employment opportunity for minorities is one of the best records of any administration in history.

I compliment the President for making opportunity a reality in his own Federal departments.

Mr. PICKLE. Mr. Speaker, there is always one way to distinguished a Democratic President from any other President. It is the amount of attention he pays the little man, the forgotten man, the man who needs his help.

It is no accident that a great Democrat, Lyndon B. Johnson, has during his 3½ years in the White House moved forward on a host of fronts to expand opportunity for the Mexican-American.

The President grew up with many Mexican-Americans. And, as he said the other day at the White House at the swearing in ceremony of Vicente Ximenes as Commissioner of the Equal Employment Opportunity Commission,

he never forgot them. His choice, I might add, was an excellent one.

The President has focused new attention on the Mexican-American community. He has also told us how much we all have to do—Government, labor, business, and the local community.

I am privileged to represent many thousand Mexican Americans in my congressional district. I have worked with them on many civic projects, in Neighborhood Youth Corps programs, through the Lions Club and they are fine people and strong with the spirit of America.

The time has come for us to make opportunity real for these millions of citizens too long kept in America's back room.

This means new opportunity for Mexican Americans in jobs, wages, housing, schooling, health, and community facilities.

At this point in the RECORD I would like to insert a report of new opportunities being opened to Mexican Americans as detailed in a White House press report of June 9, 1967:

New avenues of opportunity are being opened for the Mexican American citizen under Federal programs, the President was told today in a special report from Cabinet members.

These beginning efforts on behalf of more than five million members of the Mexican American community mark the first chapter in a determined campaign to help this minority group, the report stated.

The report was submitted to President Johnson by the Secretary of Labor; the Secretary of Health, Education, and Welfare; the Secretary of Agriculture; the Secretary of Housing and Urban Development; and the Director of the Office of Economic Opportunity.

The Report entitled "The Mexican American—A New Focus on Opportunity" summarized steps taken since 1963 to foster equal opportunity and improve education, employment, wages, health and housing for Mexican American citizens. The report finds:

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U.S. Public Health immunization programs in the Southwest are protecting more than 1.5 million Mexican Americans from polio, diphtheria, measles and other infectious diseases.

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New minimum wage requirements, for the first time covering farm workers, are helping Mexican American farm workers who have traditionally received low wages.

Individuals and cooperatives in five Southwestern States have received $45 million in Department of Agriculture loans to build new housing, water and recreational facilities.

The Cabinet Report concluded that new progress for the Mexican American community can be achieved through the President's new legislative proposals in the war on poverty, education and civil rights—all designed to expand opportunities for Mexican Americans as well as for all American citizens.

The Report concluded that this is "only the first chapter in what will become a record of solid accomplishment for the Johnson Administration—a new focus on opportunity for the Mexican American citizen of this land."

Mr. McFALL. Mr. Speaker, I rise to commend President Johnson's announcement last week of the establishment of an Interagency Committee on Mexican-American Affairs.

The President said that the purpose of this Committee is to assure that Federal-aid programs are reaching the Mexican-American community—and are providing the assistance it needs. The Committee also will seek to devise new programs that may be necessary to handle problems unique to the Mexican-American community.

The President has wisely chosen an outstanding Mexican American—Vicente Ximenes—to head this Committee. Mr. Ximenes' credentials are well known. He is now serving on the Equal Employment Opportunity Commission.

This interagency Committee, consisting of Cabinet officers whose programs touch the lives of the Mexican-American community, will insure that help will be forthcoming where help is needed most.

We have made a promising start in this area. But it is only a start. The Mexican-American continues to face severe handicaps in language, jobs, education, health, and housing opportunities.

The Mexican-American community—more than 5 million strong—represents the second largest minority group in our country. But like many minorities it has often had to turn to Government to protect its rights and help the advancement of its members into the mainstream of our democratic life.

The Johnson administration is working to fulfill those obligations in ever-increasing measure for all our citizens. And I believe that the formulation of an interagency Committee of Cabinet officers will help to insure that intelligent use is made of existing programs to get to the heart of existing problems.

I am sure that the Mexican-American community joins with me in commending the President for his leadership.

Mr. CHARLES H. WILSON. Mr. Speaker, I would like to take this opportunity to congratulate Vicente T. Ximenes on his appointment to the Equal Employment Opportunity Commission.

Mr. Ximenes, formerly the Deputy Director of our AID mission in Panama, brings both experience and sensitivity to his new post. Like President Johnson, Mr. Ximenes is a former elementary school teacher and civilian conservation corpsman. Like our President, this distinguished son of the Southwest has come to Washington to serve his country through public service.

It is my hope that Vicente Ximenes' career, which in itself is surely an inspiration not only to his fellow Mexican-Americans but to all Americans, will be repeated many times over.

As President Johnson noted the other day as he swore in Mr. Ximenes, equal employment opportunity is a national objective. It is the responsibility of Government, business, and labor alike to transform the slogan "equal opportunity" into reality.

Mr. Speaker, the selection of Vicente Ximenes to the Equal Employment Opportunity Commission is a major step in that direction.

Mr. WALDIE. Mr. Speaker, President Johnson's appointment of Vicente T. Ximenes to the Equal Employment Opportunity Commission last week is symbolic of the position which the Mexican-American has attained in American life. It is also symbolic of how much more must be done to help the 5 million men and women who make up the Mexican-American community.

This country has for too long neglected the Mexican-American citizen—in education, housing, jobs, and the other benefits of democracy.

Mr. Ximenes' appointment to this high-ranking position—to foster equal employment opportunity—signals a new day for the Mexican-American. And much of the credit must go to the hard work and dedication of President Johnson, whose efforts on behalf of the Mexican-American are only now becoming known.

Mr. MORRIS of New Mexico. Mr. Speaker, I would like to join my colleagues in praising the action of the President in creating the Cabinet Committee on Mexican-American Affairs.

The Committee, to be led by a distinguished Mexican-American, Vicente Ximenes—pronounced "he-men-us"—will serve a highly useful role in focusing the attention of the administration on the problems of this too long neglected community.

The group's problems are very real. No matter how you measure poverty—by income per individual, by educational attainment, by infant mortality rates, by housing criteria—no matter what statistic device one uses, the answer is always the same—the Mexican-Americans of the Southwest are among the Nation's least favored citizens.

I think, Mr. Speaker, it would be helpful if we could state for the record an accidental factor which has helped cause the community's neglect.

The Mexican-American community is concentrated almost completely in five Southwestern States: Texas, California, New Mexico, Colorado, and Arizona. Until recently no large groups of Mexican-Americans lived anywhere else in the country.

Other minorities—with the exception of the Indians—tend to be better distributed around the Nation, and while virtually every American of voting age has had some contact with Negroes, for instance, only a minority of the Anglo population has had any contact with Mexican-Americans.

It has been suggested that the Mexican-American community would not have been neglected so long if the Nation's Capital were in Los Angeles, for instance, or if the community happened to live on the east coast, rather than in the Southwest.

It is encouraging to see the administration take a deliberate and thoughtful step, such as the creation of this Cabinet Committee, to help remedy the problems of this all-important, but too long isolated segment of our society.

Mr. VAN DEERLIN. Mr. Speaker, the distinguished gentleman from California [Mr. ROYBAL] is to be commended for taking this opportunity to discuss the achievements of our citizens of Mexican descent.

I am also pleased to join with Mr. ROYBAL in acknowledging the positive action taken last week by President Johnson when he announced the formation of a Cabinet-level committee to work on the problems of Mexican-Americans.

In my own district, much remains to be done to insure our Mexican-Americans equal opportunity with their fellow citizens. But there are already encouraging signs of progress. Several of my constituents, for example, have scored notable breakthroughs in obtaining important posts which by unfortunate tradition had been reserved exclusively for "Anglos."

I am especially proud of Porfirio Q. Lopez, who last month was nominated by President Johnson to become the postmaster of San Ysidro, Calif. Mr. Lopez has achieved a singular distinction, for he is believed the first person of Mexican ancestry ever selected for a postmastership in San Diego County.

A native of Sonora, Mexico, Mr. Lopez has served his adopted land in both the military and postal services. After he was naturalized in 1941, Mr. Lopez began an 8-year tour in the U.S. Army which ended when he was honorably discharged as a staff sergeant.

It is pertinent to note at this point, I think, that at least 17 Mexican-Americans have won the Nation's highest combat decoration, the Congressional Medal of Honor.

On leaving the Army, Mr. Lopez joined the postal service and within 6 years worked his way up from clerk to acting postmaster of San Ysidro, a strategically located city which lies just across the international border from Tijuana, Mexico. Mr. Lopez secured the permanent appointment by outscoring all rivals on a competitive civil service examination last winter. His grade on that test was a near-perfect 95.

I have checked with the Post Office and Civil Service Committee of the other body, and I understand that approval of Mr. Lopez' nomination is imminent.

The Lopez success story already has received extensive and favorable publicity in many of the publications of old Mexico, for our Mexican friends clearly see this appointment as a dramatic indication of the progress their former compatriots are making in this country.

I might also mention Armando Rodriguez, a former vice principal at Gompers Junior High School in my district who has just been named to the new post of Coordinator of Educational Programs for the Spanish-speaking in the U.S. Office of Education.

Mr. Rodriguez, one of the most popular athletes ever graduated by San Diego State College, excelled in both football and wrestling. He was one of the first from a racial minority to achieve administrator status in the San Diego city schools system. He was honored in 1962, from a field of five candidates, by Democratic nomination to the California Legislature.

In his new position with the Office of Education, Mr. Rodriguez will be seeking still greater breakthroughs for youngsters in States of the great Southwest.

Many other of my Mexican-American constituents are doing extremely well, of course. I cited the cases of Mr. Lopez and Mr. Rodriguez only as good examples of the advances that are being made by countless Mexican-Americans, not only in California, but throughout the Southwest.

My friend, the gentleman from California [Mr. ROYAL] and other colleagues are working on legislation which would give the Mexican-American children of today the chance to emulate Mr. Lopez and Mr. Rodriguez. I refer to the Bilingual American Education Act, which would help literally millions of youngsters learn the English language soon enough and well enough so as to lose no time in ascending the educational ladder.

In addition, as President Johnson noted last Friday, the Office of Economic Opportunity has prepared highly effective programs specifically for Mexican-Americans in San Diego County and elsewhere.

In conclusion, Mexican-Americans of the United States are well on the way to winning their battle for a better life. With the help they are now receiving from governmental and other sources, total victory is clearly in sight.

Mr. HAWKINS. Mr. Speaker, last Friday, in the East Room of the White House, many of us in this House witnessed a very important event, the swearing in of Vicente Ximenes and the creation of the Cabinet Committee on Mexican American Affairs, to be headed by Mr. Ximenes.

The Mexican-American community has many problems, and for far too long has been a stepchild of this Nation. The creation of this Committee is an important move forward for the community, and for the Nation as a whole.

Mr. Speaker, I would like to make a couple of background comments on the community, which is simply not very well known here in the East.

In the first place, the Mexican-American community traces its origins in this Nation back much further than any other European community can. As early as 1598—9 years before Jamestown and a generation before Plymouth Rock—Spanish colonists settled in New Mexico. By 1630 there was a group of 25 missions established in that State.

By the time of the American Revolution there was a string of Spanish communities from Texas to San Francisco.

Every other ethnic group which makes up this great melting pot of a nation, with the exception of the American Indians, moved to this country. But in the case of the Mexican-American, the country moved in on him. During the Texas annexation of 1845, the seizure of much of the American West from Mexico in 1848, and finally in the Gadsden Purchase of 1853, the border of the United States moved south and west enveloping the well-established communities of that region.

There followed an unattractive chapter in our history, a period of exploitation of the residents of that region, the effects of which are still felt today.

We now, I trust, are on the threshold of a new period of harmony and cooperation, and I feel sure that the Cabinet Committee will do its utmost to bring the Mexican-American community into the mainstream of American life.

Mr. COHELAN. I thank the gentleman from California.

Mr. Speaker, last Friday, President Johnson received a report from his Cabinet on the impact of Federal programs on the welfare of the Mexican-American community.

I was particularly pleased to note that the first item contained in that report dealt with new job opportunities that have been developed for 1,153 Mexican-American—I use this phrase for description only—students in San Antonio.

This report demonstrates dramatically the deeply felt commitment of President Johnson to helping the 5-million-member Mexican-American community.

I am further heartened to note that, in the words of the Cabinet officers who signed the report, this progress is "only the first chapter in what will become a record of solid accomplishment for the Johnson administration—a new focus on opportunity for the Mexican-American citizen of this land."

The report indicates substantial progress achieved for Mexican-Americans. To cite some key examples:

Last summer, 34,000 Mexican-American schoolchildren were enrolled in Operation Headstart, and 15,000 others were enrolled in year-round Headstart projects in five Southwestern States. They represent almost 10 percent of all children enrolled in this program in the entire Nation.

Adult basic education programs of the Federal Government are being sponsored for 50,000 Spanish-speaking citizens in Texas, New Mexico, and California.

More than 1.5 million Mexican-Americans have received immunization against such diseases as polio, measles, diphtheria, and whooping cough through the programs of the U.S. Public Health Service.

Ninety thousand Mexican-American youths have enrolled in the Neighborhood Youth Corps in the past 3 years; 5,000 have served in the Job Corps.

The Office of Economic Opportunity has devoted $41 million to antipoverty programs involving migrant workers and their families. Sixty percent of those funds—or almost $25 million—has been used in programs to help Mexican-American migrant workers.

In Texas alone, where there are more than 100,000 migrant workers—mostly Mexican-Americans—antipoverty funds are providing full-time classroom instruction for 38,000 children of migrant families and for nearly 9,000 parents for

improvement of language skills in both English and Spanish.

The Federal Government has instituted new minimum wage requirements which for the first time cover farmworkers—a development quite meaningful to Mexican-American farmworkers who traditionally receive low wages.

These are just a few of the highlights from this report. But as the writers themselves note:

We must work harder and devote greater resources to new opportunity programs.

What are these new opportunity programs?

The Cabinet officers rightly note that the President's legislative proposals now under consideration by the 90th Congress will benefit Mexican-Americans as they benefit all Americans. I am speaking particularly of programs dealing with the war on poverty, improvement of educational opportunities, and upgrading of civil rights laws.

These are the programs that will help those Americans who need our help most. I urge my colleagues to support these programs that carry such hope and promise for our people.

I commend President Johnson for releasing this important and significant report to the American people. I commend him also for appointing Vicente Ximenes, a native of Texas, and a distinguished Mexican-American, to the Equal Employment Opportunity Commission.

This report demonstrates conclusively that the Mexican-American community has a stanch ally in Lyndon Baines Johnson.

Mr. MOSS. Mr. Speaker, last week President Johnson told a distinguished group at the White House that the success of opportunity programs for the Mexican-American citizen must be a *joint responsibility* of business, labor, and government.

That is all too true.

Opportunity for the Mexican-American—or for any other deprived American—will not spring solely from laws passed by the Congress.

Opportunity in jobs, education, health, wages, and so forth, must emerge out of a new atmosphere created in this Nation.

Opportunity must grow out of the willingness of a people.

Business and labor must join with local, State, and Federal governments in a vast new opportunity program aimed at lifting the Mexican-American to the level he desires.

We need all the talent we can get in this country. Let us not lose one iota of it because of discrimination or poverty or ignorance.

I salute President Johnson for his excellent programs for Mexican-Americans during the past 3 years, and I join him in his future opportunity efforts.

Mr. HANNA. Mr. Speaker, it is a privilege to join with my distinguished colleague from California [Mr. ROYBAL] in pointing up the progress being made in many areas by the Spanish-speaking population of the United States.

The problems faced by many of my constituents whose heritage is rooted in Latin America are just now being recognized by our Nation's political leaders. A wealth of programs designed to upgrade the circumstances of many of these Americans are now available.

As important, the Federal Government and numerous State governments are incorporating the talent, energy, and ability of many of the leaders of America's Spanish-speaking population. This recognition is overdue and these talents have been untapped too long. However, I am encouraged with the progress now evident.

Much will be said during this special order about the numerous and important contributions that have been made and are being made today by Americans with a Latin American heritage. The importance of these contributions to American culture and progress are inestimable. I am concerned, however, that there is little awareness by the average American as to the extent or impact of these contributions. Also I am concerned that many of the members of the various Spanish-speaking communities throughout the United States are largely unaware of the positive impact their ancestors and present leaders, ideas, traditions, culture, and heritage have played and are playing in the life and progress of the United States.

I am, however, encouraged that some attempts, primarily by the farsighted leaders within the various communities, are being made to overcome what has apparently been error by oversight. A number of prominent Mexican-American organizations within my own constituency are doing a most admirable job in demonstrating the positive and constructive contributions being made every day by Americans of Mexican ancestry. Pride in accomplishment is an important element to nurture within every group that helps form the diversity of America. Our citizens of Latin American descent have much to be proud of, and much to contribute.

I would like to dwell for just a moment on a question of present accomplishments by local communities. A few years ago it was obvious to a number of the leaders of the Mexican-American community in my district that students raised in predominantly Spanish-speaking homes faced language problems in school.

After much discussion it was decided to establish a self-help program through LULACS. This program has become eminently successful. Under the auspices of LULACS a number of school districts in my area now have the benefit of well-planned and administered tutorials. Financed through the Office of Economic Opportunity, our local tutorial program has expanded to the point where it is able to significantly affect hundreds of students who would otherwise be disadvantaged. This year OEO is once again considering support of the LULAC effort, and we are expecting that the Office of Economic Opportunity will wisely decide to continue its support of this widely accepted and beneficial program.

Under the supervision of the wise local community leadership so evident around the Nation, programs similar to the one in my district are benefiting many thousands. This is most encouraging, and suggests we may look to the future with optimism.

Mr. BROWN of California. Mr. Speaker, I wish to associate myself with the preceding remarks of my friend and colleague from California, the Honorable EDWARD ROYBAL.

It is highly satisfying to know that the focus of governmental concern and action is to finally settle upon the Mexican-American community. In my opinion, there is no community of people in this land that has endured with such admirable patience and perseverance as that shown to us by the Spanish-speaking community. They have waited in a never-ending line of priorities. The focus of attention, much less, action, was seldom upon them—it was always somewhere else.

Now, we are assured a new beginning or focus, if you prefer, is in sight. I sincerely hope that this is so.

Some progress has been made. For that we can be thankful. I am impressed by the blueprints for the future. Moreover, it is undeniable that the President of the United States has a sincere and deep compassion for and commitment to Americans of Mexican descent. I know we are all anxious to get behind the President and make the shadows of dreams the substance of reality.

Those who have spoken before me have done an excellent job of outlining the blueprint for the future. They have also very capably reviewed the history, progress, and hopes of the Spanish-speaking people. I seek permission, Mr. Speaker, to introduce at this time, two items intended to strengthen, clarify, and complement those points which have already been made. The article that follows comes from the March 10, 1967, issue of the Los Angeles Times:

MEXICAN-AMERICAN JOBS CAMPAIGN GETS RESULTS

(By Jack Jones)

A recent immigrant from Mexico applied for a job with a steel company. He was big, strong and intelligent, but he could not speak English well, so he was turned away.

The job: Washing out garbage cans.

"So we sent him over to Northrop," said Dionicio Morales, executive director of the Mexican-American Opportunity Foundation, "and they told us, 'Send us more like this guy.'"

Standing in his office on the second floor of a small building at 4629 Brooklyn Ave., Morales looked out at the aging little houses of East Los Angeles and said, "That's the exciting part."

MAOF, originally founded as the Equal Opportunity Foundation but retitled to "identify ourselves with this forgotten community," has a $200,000 Labor Department grant to find jobs and training in private industry for jobless "chicanos" (Mexican-Americans).

NOT EVEN SCRATCHING SURFACE

With 400 allotted on-the-job training slots (the Urban League has a 1,000-slot program in the Negro Community) and just 272 formerly unemployed persons now placed, MAOF is, Morales admitted "not even scratching the surface."

Automation, language difficulties and a traditional fear of officialdom (including the State Employment Service) have combined to create among the exploding Spanish-surname population a problem Morales said is worse than that faced by Negroes.

"There are thousands of migrants out there floating around," he said. "They don't know what to do or where to go. Construction is at a low ebb and machines are digging the ditches."

The introduction of Spanish-speaking staff members into the State Employment Service section of the East Los Angeles multiservice center is a help, Morales said.

"But the Mexican can't get in the habit of going there, because of years of needing an interpreter when he stepped up to the window."

MAOF may not even be scratching the surface, but Morales said industry—particularly aerospace—is demonstrating awareness of the Mexican-American's problems and is cooperating.

Norair division of Northrop, Lockheed, Aerojet General and Aeronca all have MAOF trainees on the job, as do several other firms. They are reimbursed for part of the training time by MAOF out of the Labor Department funds.

Representatives of Hughes and Douglas and of labor unions sit on the MAOF board of directors.

MAOF has two Neighborhood Adult Participation Project (NAPP) aides (thus tying in the antipoverty program) who are job developers, seeking companies in the market for on-the-job trainees.

The blackboard at MAOF headquarters reads:

"We need these trainees now—structural assembler, metal and honeycomb, integral tank sealer, machine shop helper, template maker, wire preparer."

"Those are the jobs," said Morales, a longtime union representative, "where the wages are adequate to bring up the economic standard for the Mexican worker and his family."

Morales is one of those who feel that antipoverty programs have largely overlooked the unique problems of the Mexican-American, who has yet to realize the value of federal and state services available to him.

This view is reflected into a joint proposal submitted to the Labor Department as a "special impact program" by MAOF and UCLA's Institute of Industrial Relations to set up a kind of Mexican-American NAPP organization.

$253,839 REQUESTED

The request, written by Morales and Dr. Paul Bullock, head of the UCLA institute and on the MAOF board, is for $253,839 to establish six neighborhood service centers in predominantly Mexican-American areas around the county.

In addition, the Institute of Industrial Relations is seeking $44,226 to operate an intensive research apparatus, computing the results of findings by the centers.

"We can sit around and talk about dropouts and language barriers all our lives," said Morales, "but let's get the Mexican-American out of the mediocre jobs and the sweat shops and off the unemployment rolls."

This article from the Los Angeles Times presents an excellent example of the tireless efforts put forth by spirited citizens and some segments of the business community to better the conditions of the Mexican-American people. But there is still cause for despair. We have witnessed some good results, but, as Mr. Dionicio Morales states, we have "not even scratched the surface."

I am pleased to note that there is widespread acknowledgement of the presence of a vast reservoir of talent and productive capability to be tapped within the Mexican-American community. It is a national shame that this recognition did not come sooner. It appears that we will now reverse this trend of unconcern. Think of the great good to be derived from this cooperative venture between these people and their government. We should not allow this opportunity to pass.

I switch now to another topic: Education and culture. I have for many years believed that one of the greatest resources this Nation possessed was the bilingual and bicultural abilities of its citizens. A sizable number of our Americans of Mexican descent have these wonderful attributes. The problem is that, heretofore, these abilities have been neglected and, even more distressing, discouraged.

I would like at this point in my remarks, Mr. Speaker, to present for the perusal of my colleagues, an article entitled "Se Habla Espanol" which appears in the May 1967 issue of the American Education, a publication of the U.S. Department of Health, Education, and Welfare:

SE HABLA ESPANOL—HELP FOR SPANISH-SPEAKING YOUNGSTERS

(By Joseph Stocker)

(NOTE.—A former newspaperman and full-time writer, Mr. Stocker is now director of publications and public relations for the Arizona Education Association.)

There are more than one and one-half million children with Spanish surnames in the schools of five Southwestern States—Arizona, California, Colorado, New Mexico, and Texas. Nearly all of them are Mexican-Americans. In scholastic attainment they lag far behind their Anglo-American schoolmates, and their dropout rate is high. The reason for their underachievement can be summed up in a single word: language.

Monroe Sweetland, Western States legislative consultant for the National Education Association (NEA), has described the school record of Mexican-American youngsters as "tragic." He said bluntly, "It constitutes the greatest single failure of our systems to provide equality of educational opportunity in this region."

The Mexican-American child comes out of a Spanish-speaking home into an English-speaking school, and from that point on it's a case of oil trying to mix with water. In many instances, says John M. Sharp, professor of modern languages at Texas Western College, El Paso, the child's parents speak little or no English, and his first significant contact with our language occurs when he begins school. "English is no less a foreign language to him than it would be to a child from Argentina or Colombia," says Dr. Sharp. "He suddenly finds himself not only with the pressing need to master what to him is an alien tongue, but also, at the same time, to make immediate use of it in order to function as a pupil."

In many States English is prescribed by law as the language of instruction. Schools even forbid Mexican-American students to speak Spanish except in Spanish classes, the obvious theory being that if they speak only English, they will learn English. Some schools have been known to administer corporal punishment to students for lapsing into Spanish. "If you want to be American," the young Latin is told over and over again, "speak American."

These speak-English-only laws are hard to enforce. "Obviously it is impossible to make a person speak a language," says James Burton, who teaches English and speech to Mexican-American students at Jefferson High School in El Paso. "Any teacher in control of his classroom can prevent his students from speaking Spanish, but the result is likely to be a thundering silence. It is certainly no guarantee that fluent, idiomatic English will gush forth like the water from the biblical rock."

It's not only an alien language that the Mexican-American child encounters, it's an alien set of cultural standards as well. The tempo is faster than that to which he is accustomed. The school environment lacks what one Southwestern educator has described as "the plasticity and warmth of human relationship" so often found in the Mexican-American home, however humble. Customs are strange. "Take the matter of funerals," says Florence Reynolds, principal of Pueblo High School at Tucson, Ariz. "If a member of the family dies, the Mexican-American child is likely to stay out of school as much as a week. He does so at the insistence of his parents. But we say it's wrong to stay out of school a week for a funeral. So the school is putting itself above the parents, in effect, and the younster is caught in a dichotomy of values."

Many a Mexican-American child, therefore, suffers not only educational but psychological damage. He is being told in every conceivable way that his language and his culture are no good. He must inevitably begin to suspect that he is no good either. If he is no good, how can he succeed? And if he cannot succeed, why try? "These children," summed up a California school administrator, "are conditioned to failure in the early years of their schooling, and each passing year only serves to reinforce their feelings of failure and frustration. Is it any wonder that as soon as they are 16 or can pass for 16, they begin dropping out of school?"

Schools have tried one remedial measure or another, with no great success. Perhaps the most widely used approach has been to group all Spanish-speaking beginners in a special prefirst-grade class to teach them English, after which they are "promoted" to the first grade. But this means that little Juanito must go through his entire school career a year behind his age group, which simply confirms his feelings of inferiority.

Lately, however, a new concept has emerged that seems to hold out real hope and might even bring a dramatic breakthrough in the education of Mexican-Americans. It's the concept of bilingualism: using Spanish as a vehicle to education for the Spanish-speaking child, with English being taught as a second language.

The idea is only now catching on. In a school system here, another there, teachers and administrators have become aware that bilingualism may hold a key to the future for hundreds of thousands of Mexican-American children.

It's a spontaneous movement, with no central direction or coordination. Different schools go about it in different ways, but the results in almost all instances have been encouraging. At Laredo, Tex., in the United Consolidated Independent School District, a suburban district encompassing 2,440 square miles, bilingualism has been put to work in the primary grades. The student body is a mix of Anglo-Americans and Mexican-Americans, and instruction is carried on in both English and Spanish. The district tried it the other way, forbidding the Mexican-American children to speak Spanish, educating them solely in English. The result was frustration and failure and a heavy proportion of Mexican-American dropouts.

Then a concerned school board appointed a superintendent, Harold C. Brantley, who believed in bilingualism and wanted to build a program along such lines. In September 1964, the district launched what it called "an experimental biliteracy program"—bilingualism for both Mexican-American and Anglo-American children. It began in the first grade and was extended to the second grade in the fall of 1965. Last fall it moved to the third grade, and eventually it is to extend through all the grades, including high school.

At Tucson's Pueblo High School, Mexican-

American students are offered courses in Spanish custom-tailored for them. The school had discovered that many Mexican-Americans are actually "bilingual illiterates," that is, they speak, read, and write both languages poorly. Their Spanish is often a hybrid catch-as-catch-can mixture of Spanish and English. Yet when some of these Mexican-American students enrolled in conventional Spanish courses they were bored to tears. One Latin miss said candidly to her teacher, "I came here to learn good Spanish but you haven't taught me very much." "I don't wonder they were bored," says Principal Florence Reynolds. "Imagine—teaching a Spanish-speaking youngster to say, 'Buenos dias.'"

In 1959 Pueblo High offered an experimental course in Spanish for the Spanish-speaking. It was such a success that the students petitioned the faculty to provide a second year. At the end of the second year they again asked for more. Today the school conducts 14 such classes, nearly all taught by native speakers, several of whom were born in Mexico. Along with language skill, curriculum emphasizes the cultural heritage of Spain and Mexico to help the student gain a sense of identity and pride. Attesting to the success of the program is the fact that, although English-speaking students are in the majority at Pueblo High, more Spanish-speaking than English-speaking students are enrolled in Spanish courses. Two of the program's alumni, their interest whetted by the courses, chose careers in education, got their degrees, and are now back at Pueblo High as Spanish teachers.

Some months ago the program also caught the attention of the NEA. Its staff members, impressed by what they saw at Pueblo High, heard also of similar programs springing up in other Southwestern communities. Bilingualism, they sensed, held a significant answer to the problem of educating Mexican-Americans. So the NEA set up a project, the NEA-Tucson Survey on the Teaching of Spanish to the Spanish-Speaking, to survey the five Southwestern States. Its purpose was to search out some of the more promising approaches to bilingualism, and to persuade more schools to try them now that financing was available under the Elementary and Secondary Education Act of 1965. Seven Tucson educators, all involved in one way or another with the education of Mexican-Americans, comprised the NEA's survey team. Chairman was Maria Urquides, dean of girls at Pueblo High and herself a Mexican-American.

Members of the team visited 37 schools in 21 cities. Their report, titled "The Invisible Minority . . . Pero No Vencibles" ("But Invincible"), firmly concludes that bilingualism "can be a tool—indeed the most important tool—with which to educate and motivate the Mexican-American child."

Chairman Urquides, a vigorous, exuberant, outspoken woman, intensely proud of her "Mexicanness," insisted at the outset that the survey wasn't to be just another study of the Mexican-American education problem. "The heck with a study!" she snorted when an NEA staffer first broached the idea. "We've been studied so much we're sick of it. Let's do something about it—something to strengthen the youngster's concept of being a Mexican-American, to make him proud of being a Mexican-American. The schools are doing so much now to destroy it!"

And so the NEA report doesn't just assemble recent research on the subject, as do so many similar reports. It describes in detail a number of the most promising programs in bilingualism that the survey team observed in its travels through the five States. Then it says to other schools with sizable Mexican-American enrollments and high Mexican-American dropout rates: Go thou and do likewise. A number of schools are doing just that.

There is evidence that the best bilingual teachers are those who speak Spanish natively. And this, by the nature of things, means mostly Mexican-Americans. For the teacher of Spanish to the Spanish-speaking is usually much more than just a teacher: he is a counselor, a parent-substitute, an understanding friend, even, sometimes, a father confessor.

Maria L. Vega performs just such a multiple role at Phoenix Union High School, which has a 50 percent Mexican-American enrollment. Born in Mexico, speaking labored English even yet, Mrs. Vega started the Spanish-speaking program at Phoenix Union in 1960. There was one class that year. Last year there were 14.

"They come to us with every problem they have," she says. "Once a boy came to me. 'Mrs. Vega,' he said, 'I stole a car. Here are the keys.' I helped him, and he got another chance, and this past year he graduated. A girl comes to me and says, 'Mrs. Vega, I'm going to have a baby. What shall I do?' I say, 'Do your parents know?' And she says, 'No.' And I say, 'Let's tell them.'

"Our classes deal with human relations, with the problems of our community—drinking, TB, juvenile delinquency. School is so important to them. For a majority of them there is no other place—their homes are so small. They have no place to study.

"I teach them more than Spanish. I teach them Spanish history, geography, literature. If they know their great heritage, they can be proud. And they can *be* something, instead of just on welfare. They can be better American citizens."

What Maria Vega and all the rest are doing is what Daniel Schreiber, former director of the NEA's Project Dropout, must have had in mind when, at a Mexican-American seminar held in Phoenix in 1963, he talked of the need of young people to "achieve confident self-identity." "The youngster," he said, "whose school experience begins and ends in failure—and those of minority children too often do—having discovered that he is good at nothing, stands a strong chance of becoming good for nothing. And far too many young lives, with all the potentials and real talents and capabilities they embody, are being wasted and crushed. The challenge is to redeem them through inventiveness and energy and dedication."

Now, four years after Schreiber spoke these words, there is much activity to report. New and imaginative programs are springing up in many communities. More and more, there is the "general feeling of great urgency—of urgency for positive action," that Regina Goff, OE's Assistant Commissioner of Programs for the Disadvantaged, called for at a conference last August on Federal educational programs affecting Mexican-Americans.

Action takes many forms, often innovative. Pueblo, Colo., schools and other community agencies are working on a bicultural program of art, music, literature, history, and language with financial help from title III of the Elementary and Secondary Education Act. In Alpine, Tex., where more than 60 percent of the children speak Spanish, schools are using two-way radios for guidance and counseling, and experimenting with leased wire and voice-writers for language teaching. El Paso is beginning the first phase of its model center for teaching English and Spanish and is also planning a general cultural center.

In such ways, through bilingualism, it begins to appear that the process of redemption is under way for at least one group—the "invisible minority" of the American Southwest.

It is clear that this country will be dealing with Latin America more extensively in the future. Our ability to comprehend the culture and mores, and to speak the languages of our neighbors to the south will be of inestimable value and benefit. And who will be best-equipped and able to provide talents and qualified personnel? The Mexican-American community can be one inexhaustible source of talent, competence, and good will in our growing relations with Latin America.

There is already good precedent. The following examples are but a beginning, I am sure: Mr. Raymond Telles of Texas, Ambassador to Costa Rica; Mr. Raul H. Castro of Arizona, Ambassador to El Salvador; and Mr. Benigno C. Hernandez of New Mexico, recently appointed Ambassador to Paraguay. These gentlemen are presently on the job. Three were appointed by President Johnson, one by the late President Kennedy.

The formation last week of an Interagency Committee on Mexican-American Affairs is, hopefully, a large step in the direction of equal opportunity and equal citizenship for Americans of Mexican descent. The President could not have chosen a better man to chair this Committee than Mr. Vicente Ximenes, who was, on the same day, installed as a Commissioner on the Equal Employment Opportunity Commission. I believe that this appointment reflects the great importance the President places upon the new committee.

All of these events, Mr. Speaker, are of great importance to the Spanish-speaking population of the Southwest. I am privileged, as are many others here, to represent large numbers of Americans of Mexican descent. I rejoice with them over the creation of this committee, the selection of a fine chairman, and the aforementioned new focus upon the Mexican-American citizens of our Nation.

We look forward—as we always have—with great anticipation and hope for the future. I thank you, Mr. Speaker.

Mr. WALKER. Mr. Speaker, last Friday, in ceremonies at the White House, President Johnson welcomed to the U.S. Equal Employment Opportunity Commission its first Commissioner of Spanish-American descent, Vicente T. Ximenes of New Mexico.

I would like to point out at this time that I personally do not recognize a distinction whereby some Americans are referred to by hyphenated titles. I do so here advisedly to denote a specific group for identification only.

It was a proud day for the Spanish-American community in the United States.

It was a proud day for the United States.

Mr. Ximenes' appointment is a symbol of American achievement. Yet it is also a reminder of how much more we must achieve to attain first-class status for the Spanish-American—in jobs, wages, educational attainment, housing, and community facilities.

At the swearing-in ceremonies for Mr. Ximenes, President Johnson made public a special Cabinet committee report which detailed the Government's efforts of the last 3 years to give the Spanish-American the tools and resources and help he needs to take advantage of the full promise of American opportunity.

The report cited some of the statistics of accomplishments of the Johnson administration during the past 3 years:

Almost 34,000 Spanish American children enrolled in project Headstart programs last summer;

90,000 Spanish-American youths have enrolled in the Job Corps since 1964;

More than 60 percent of the $41 million going into migrant worker anti-poverty programs is devoted to Spanish-American workers and their families;

In my own State of New Mexico—in one town of Sandoval where the population is 40 percent Spanish-American—300 residents are receiving technical job training in a dozen different fields, while an additional 250 are enrolled in basic adult education programs sponsored by the Office of Economic Opportunity;

Individuals and cooperatives in the five Southwestern states of New Mexico, California, Texas, Colorado, Arizona have received $45 million in United States loans to build new housing, water and recreation facilities. Many of the beneficiaries have been Spanish-Americans.

I am deeply proud to be associated with a President and an administration which has not forgotten the second largest minority group in the country.

I am proud that President Johnson has moved quietly and effectively to encourage equal opportunity for Spanish-Americans in the public schools of the Southwest.

And I am proud that our Government believes that much more must be done, especially for the many hundreds of thousands of farmworkers who are now covered for the first time by a minimum wage law proposed by President Johnson and approved by the Congress.

President Johnson has not been hesitant in using the powers of government to fight discrimination and to train Spanish-Americans for new skills and careers. Private enterprise must do no less. The leaders of local communities in the Southwest must do no less.

This is a great human story. It is becoming one of the finest progress stories of the Johnson administration.

As a Congressman from the great Southwest, as a Democrat, and as an American, I pledge my full support to the President in his far-seeing opportunity program for the Spanish-American citizen.

Mr. FISHER. Mr. Speaker, the appointment of Mr. Vicente Ximenes, of New Mexico, to serve as a member of the U.S. Equal Employment Opportunity Commission, was an excellent choice. The background and record of Mr. Ximenes demonstrate his high qualifications for this post. This man, a war hero, has made a distinguished record as an economist and research specialist.

In the Southwest, an import element in our society is comprised of Americans of Mexican descent. In war and in peace these people have proven their value as citizens and have contributed substantially to community progress and also to their own improvement. There remains, of course, very much to be done. They need the education, the encouragement, and employment opportunities, and I am confident Mr. Ximenes will be able to contribute to the solution of those problems.

Again, I express my own commendation of the choice of Mr. Ximenes for a position on this important Commission.

Mr. SISK. Mr. Speaker, last week, with great sympathy and understanding, President Johnson turned the attention of the Congress and the American people to the challenging question of equal opportunity for the Mexican American.

At a White House ceremony to swear in Vicente Ximenes as a member of the Equal Employment Opportunity Commission, the President established a special high-level Committee on Mexican American Affairs. That Committee will work to see that Federal programs are effectively reaching the Mexican Americans—in education, jobs, training, help for migrant farmworkers, health, and community facilities.

The President also released a significant Cabinet report which evaluated the Federal Government's efforts, during the past 3 years, to focus new attention on the needs of Mexican Americans.

I am particularly interested in this effort because there are large groups of Mexican Americans in my own congressional district, and I am pleased and proud that our Government is placing new emphasis on helping these people who have been neglected for too long.

I am exceptionally proud that the U.S. Government is investing millions of dollars in local California school districts—under President Johnson's Elementary and Secondary Education Act of 1965—to reduce classroom size, to provide modern instructional materials, and to add new teachers, and thereby improve the quality of education for hundreds of thousands of Mexican American schoolchildren.

In my own district of Fresno, antipoverty funds have enabled Mexican American families at Three Rocks to build new homes with a $113,000 loan from the Department of Housing and Urban Development.

I am proud that the Federal Government is continuing to invest millions annually in new health, education, housing, and training programs for the Mexican American migrant worker and his family, of whom there are over 30,000 in my congressional district.

I compliment the U.S. Public Health Service which, in a typical year, immunizes over 1.5 million Mexican Americans and their families from polio, diphtheria, smallpox, and other diseases.

Comprehensive Government job training programs have benefited Mexican Americans, not just in my own State of California, but all across the southwestern area of the Nation.

The U.S. Office of Education has helped thousands of educationally deprived Mexican American students in project Headstart.

The University of Southern California has planned a program which, if funded by the Congress, will establish special institutes to train teachers who travel with Mexican American migrant workers, teaching their children both English and Spanish and relating them more closely to the community.

In short, the record of the Johnson administration is good concerning the Mexican Americans. And it is getting better.

Within a short time, the Congress will receive the President's new antipoverty recommendations from committee. Many of these programs hold potential for hundreds of thousands of Mexican-American citizens.

Let us not be misled into cutting these programs.

Let us continue and improve the Neighborhood Youth Corps, the Job Corps, Headstart, and Upward Bound, the health and migrant worker programs, and many other opportunity programs.

Let us join the President as he continues the solid program of accomplishment he has already initiated.

It is an accomplishment which reflects well on the Mexican American who seeks the benefits of full citizenship.

It reflects well on a Congress determined to wipe away the stains of deprivation and discrimination which have held back the Mexican-American citizen.

Our Government is now engaged in an unprecedented program to share the benefits of American prosperity and education, health and community facilities, job training and careers, with all willing citizens.

Let us support President Johnson in the fulfillment of this great ideal. As he said last week at the White House, what we do for any minority, we do also for the majority. What we do for any American, we do for all Americans.

Mr. YOUNG. Mr. Speaker, President Johnson has focused the American conscience on the needs and the potentials of the Mexican American citizen.

Last week in impressive ceremonies at the White House, on the occasion of the appointment of Mr. Vicente T. Ximenes to the Equal Employment Opportunity Commission, the President released a Cabinet committee report outlining what Government had done in the past 3 years for the Mexican American citizen, what the Mexican American was doing for himself, and what our responsibilities were for the future.

The report clearly pointed out that the Mexican American has suffered low wages, limited opportunity, and partial education because he has been discriminated against.

The time has come, the President said, to undo the damage of the past.

The time has come to make opportunity: to create jobs, to offer training, to give compensatory treatment in education, to offer new hope and help to many millions who want to contribute to this society but have been held back.

The new focus of opportunity for Mexican Americans, which President Johnson has fostered, must be a focus of the heart and the mind and soul. It must result in a positive desire to help the Mexican American help himself.

The President has demonstrated to the people what he has done in 3½ years. We must now join him in a full opportunity program for all Americans.

Mr. BURLESON. Mr. Speaker, the action of the President in appointing Vicente T. Ximenes to the Equal Employment Opportunity Commission, and at the same time creating a new Interagency Committee on Mexican American

Affairs, to be headed by Mr. Ximenes, is most commendable.

The action of the President in appointing Mr. Ximenes not only fills a vacancy, but it fills a void. I would not assert that there has been willful neglect of efforts to provide greater opportunity for Mexican American citizens, but emphasis has been placed elsewhere for too long, and to ignore obvious needs is not doing the program for the betterment of all citizens any good. It reflects on the entire effort. But this appointment of a highly qualified man with an impressive background should provide a voice for Mexican Americans which has not been properly heard in the immediate past.

This is not assuming that Mr. Ximenes is expected to devote his attention in this direction only, because his former activities indicate a broad knowledge and experience in matters relating to equal opportunity and a desire for the betterment of the underprivileged. It does, however, bring into Government service an individual who is intimately acquainted with the existing situation and who can present a fresh and an authentic view heretofore lacking.

Leaders in the Mexican American community in my own district have experienced some frustration in being unable to present problems and conditions deserving attention under the equal employment opportunity program. I think we must admit that in all probability we have taken too much for granted and have assumed that problems would have a way of working themselves out to a solution, but the question is what degree of solution is satisfactory. Opportunity for employment and education are more basic in many instances with our Mexican American citizens than any other segment of our society. With such opportunities assured, these citizens will take their place of responsibility in our society as a whole. I believe that Mr. Ximenes, in this new capacity will afford better opportunities for these developments.

Therefore, Mr. Speaker, I lend my hearty support to the President's appointment of Mr. Ximenes, in order that his valuable service will soon be applied to the great problems involved.

Mr. LEGGETT. Mr. Speaker, I have noted with pleasure and respect the remarks of my California colleague, Mr. ROYBAL, concerning the administration's recent actions designed to benefit U.S. citizens of Mexican descent.

The formation of a Cabinet-level committee to focus on the problems of the Mexican American community demonstrates the administration's sincerity of purpose, to assure that Federal programs are reaching Mexican Americans and providing assistance they so urgently require.

Mr. ROYBAL has adequately outlined the administration programs now underway which are directly elevating the status of our more than 5 million Mexican Americans. These programs include—

Manpower training and retraining under the Department of Labor.

Combined Federal agency campaigns against unemployment in our major metropolitan centers with substantial Mexican-American populations.

Massive immunization programs to wipe out diseases afflicting our Spanish-speaking citizens.

School aid programs under the Elementary and Secondary Education Act of 1965, making possible the improvement of schooling for hundreds of thousands of Mexican-American children.

Special efforts to improve the health, wages, and education of migrant farmworkers, at least 1 million of whom are Mexican Americans.

For far too long, many of these citizens have been the forgotten minority, forgotten because their innate dignity and their pride of race and customs would not permit them to cry out for the help they need—help to overcome barriers of language and culture which have held them in the status of second-class citizenship.

This status could be a national disgrace, an ugly scar on the traditions of the United States as the one Nation where opportunities should be equal for all. For these citizens I speak of are not newcomers to these shores. In fact, as we sometimes forget, the Mexican American is more a native in his ancestry than anyone except the American Indian. And, like the American Indian, he has been exploited, cheated, and shoved aside in the past century by the "Anglos" who lusted for our Western States' wealth of natural resources.

The President's action in creating this Committee—comprised of the Secretaries of Labor, Agriculture, Housing and Urban Development, and Health, Education, and Welfare, and the Director of the Office of Economic Opportunity—is a new indication that we will no longer tolerate relegation of the Mexican American, or any other American, to any status except full, equal citizenship.

It is especially pleasing to me to know that an outstanding representative of the Mexican American community—the very able and distinguished Mr. Vicente Ximenes, of the great State of New Mexico, a newly confirmed member of the President's Equal Employment Opportunity Commission—has been designated Chairman of the Interagency Committee.

I note that Mr. Ximenes comes from a 20th-century background not unlike that of a most distinguished historical figure from my State. I refer to Mariano Guadalupe Vallejo, born in the first decade of the 19th century, a native son of Spanish California who, like Mr. Ximenes, rose from humble beginnings to prominence as a military hero, then as a statesman highly influential in the submission of California to the United States. Mariano Vallejo was an important delegate to the State's constitutional convention, then a member of its first State senate. My own hometown, incorporated in 1868, was named for Guadalupe Vallejo and, more recently, the 40th nuclear Polaris submarine to join our Navy's fleet, built at our Mare Island Naval Shipyard, was commissioned in his name.

Mr. Speaker, in conclusion I would like to call attention to the extraordinary services rendered to this body by our colleagues of Mexican American heritage. I know their numbers will grow as those already among us grow in stature. I salute the President, and Mr. Ximenes, and pledge them my utmost support in their worthy efforts to upgrade the status of every American of Mexican ancestry.

Mr. DE LA GARZA. Mr. Speaker, my colleagues, I am very happy and very proud to have attended the ceremonies at the White House when Vicente T. Ximenes was sworn in as a member of the Equal Employment Commission.

We very respectfully commend President Johnson for his wise selection, and also for his untiring and continuing interest in the welfare of all Americans regardless of their background or origin. His naming of a Cabinet-level committee with Mr. Ximenes as Chairman to look into the possible ways to better aid a group of Americans was indeed a gratifying moment during the impressive ceremonies, for this we also respectfully commend President Johnson and pledge our cooperation to this committee. I have personally invited them to begin their study in the 15th Congressional District of Texas, which is only logical, since it is the beginning of the Southwest as the crescent winds up to New Mexico, Arizona, and California.

I do hope that they accept this invitation and visit our area to see how we live, what we are doing for ourselves, where we need help and how they can help us, so that working together as Americans we might have a better tomorrow. I was so impressed with President Johnson's remarks that I think it would be well if all of us read them and I hereby very respectfully include them in the RECORD. Thank you Mr. Speaker. The remarks follow:

REMARKS OF THE PRESIDENT AT THE SWEARING-IN CEREMONY FOR VICENTE T. XIMENES

Mr. Ximenes and his family, Senators Anderson and Montoya, Members of the Congress, Members of the Cabinet, distinguished guests, ladies and gentlemen:

We have come here today to honor Vicente T. Ximenes.

But we have come here also to reaffirm an ideal that I think all of those present in this room share: the ideal of full opportunity for every citizen in the United States of America.

Mr. Ximenes' life is a very vivid story of American opportunity. He is a distinguished public servant, a teacher, a war hero; a leader of the Mexican-American community. Today, he achieves another high honor as he becomes a member of the Equal Employment Opportunity Commission of the United States Government. And we—as a nation—are honored by his achievement.

As President, I want to see his story repeated—again and again and again.

Because the promise of America is still unfulfilled for too many Americans among us.

Millions of Americans still are poor. They are without training. They are without jobs. They are without hope.

It is our responsibility as public servants and public leaders to correct that, to change that, and to get results.

Mr. Ximenes and I are both graduates of the first anti-poverty program in the 1930's. He was a member of the Civilian Conservation Corps and I was a member of the NYA. Both of those have since gone out of existence, but the need for the kind of training they gave is still here.

Before that, I taught school in the little

town of Cotulla in South Texas. It was there in that school, at an early age, that my dream began of an America—my own land—where race, religion, language, and color didn't count against you.

And I made a decision then which I have reaffirmed every day since I have been in the White House—that if ever I had the privilege of holding public office, I would not rest—

Until every American, who wanted it, had a job to work at;

Until every child, who wanted it, had an opportunity to get all the education his mind could take;

Until every family had an opportunity to get a decent home in a decent neighborhood;

Until every single American had entered the open door to full participation in the life of America.

That is what we have been working for in the past three and one-half years. That is what they refer to as the "Great Society". It is not great yet, but it has improved a lot in three and a half years—and it is going to improve a lot more, in whatever time we are allotted.

Some of our cynics will criticize us and some of our opposition will complain, but the record of these years in education, in jobs, in health, in civil rights, and in poverty marks more than just a proud beginning.

Today, our effort in the field of education is three times what it was three years ago. The budget this year has a little over $12 billion for education. Three years ago it had a little over $4 billion. Three times the effort in education than we had only three years ago. $12 billion for education.

That is twice as much money as Herbert Hoover had for the entire Federal Budget when I came to Washington.

In health—we must have sound bodies, if we are to have our minds take that education. We were spending a little over $4 million for health three years ago. The budget this year is over $12 billion. Three times as much for the human body—everybody's body—not just the rich man's body, or the poor man's body, the brown man's body, the white man's body, the black man's body. Three times as much for health as we were spending three years ago.

In civil rights we have passed three Civil Rights Bills that have made gradual progress, moving along the road until the day where the "emancipation" will no longer be a "proclamation", but will actually be a fact.

Today, I am releasing a special Cabinet Report which tells the story of new opportunities that have been created for more than five million Mexican-American citizens.

It shows how far government, business, labor, and community leadership still must go to turn the slogan of opportunity into the fact of reality.

Real opportunity—for all Americans—must grow out of the work of selfless public servants who are, really, to take the risk at all levels.

Real opportunity must grow out of a business community that is ready to use America's resources to create jobs for willing hands and minds.

I am going to establish today the highest level committee a President can create, a Cabinet Committee on Mexican Americans, that will be composed of Secretary Wirtz, Secretary Gardner, Secretary Freeman, Secretary Weaver, and Director Shriver of the Office of Economic Opportunity.

And the President and the Vice President will be around to serve ex officio, when they can be helpful.

Right here, now, I am going to sign an order creating that committee—and I am going to ask Mr. Vicente T. Ximenes to serve as the chairman of that committee.

I am saying to Mr. Ximenes, and to the Cabinet members who are on that committee, that I will expect from you not just reports, but I want some solutions. I may get too many of the former—but never too many of the latter.

Mr. Ximenes, we welcome you to the Equal Employment Opportunity Commission. We believe that you will add a new image and new vitality to its fine work.

We value the historic tradition that you represent.

The State of New Mexico has sent many great men to Washington in the Senate and the House of Representatives, in the Cabinet, and at many levels. They will be looking to you with admiration and with pride. I am sure they will not be disappointed.

We today affirm this truth: that what we do for any minority, we do as well for the majority. After all, we do all of this for America.

Thank you very much.

GENERAL LEAVE TO EXTEND

Mr. ROYBAL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject matter of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

THE SUPREME COURT AND MASS DEMONSTRATIONS

The SPEAKER pro tempore. Under a previous order of the House, the Chair recognizes the gentleman from Illinois [Mr. PUCINSKI] for 10 minutes.

Mr. PUCINSKI. Mr. Speaker, news of the Supreme Court decision upholding the injunction of the Birmingham, Ala., city court against demonstrations on Good Friday and Easter Sunday in 1963 is welcome and exceedingly timely. It may well become the Magna Carta for restoring peace to America's streets and sidewalks.

As Justice Stewart said in the majority decision:

When protest takes the form of mass demonstrations, parades, or picketing on public streets and sidewalks, the free passage of traffic and the prevention of public disorder and violence become important objects of legitimate state concern.

The court cannot hold that the demonstrators were constitutionally free to ignore all the procedures of the law and carry their battle to the streets.

Justice Stewart added:

One may sympathize with the petitioners' impatient commitment to their cause, but respect for judicial process is a small price to pay for the civilizing hand of law.

Mr. Speaker, in August of last year—when Chicago was experiencing mass demonstrations that tied up traffic and caused incalculable bad feeling in neighborhoods throughout the city—I introduced legislation to permit the Attorney General of the United States and the various State attorneys general to obtain orders from U.S. district courts placing reasonable limitations on the size and conduct of certain public demonstrations.

The decision of the Supreme Court reported in the press today gives ample power to local courts to enforce their authority and protect the public safety.

Throughout our history, the most difficult problems that courts or legislatures must resolve are those of competition between important rights. The past few years have provided ample evidence of this type of conflict. Persons with grievances justly wish to publicize their views. The community desires to maintain peace and order.

Must society's interest in peace be suppressed or can it be protected?

Those who resort to demonstrations may intend their actions to be nonviolent. But can the organizers truly be nonviolent knowing in their minds and hearts that their conduct will precipitate a counterreaction, often a violent one, in others?

Mass demonstrations have resulted in the disruption of public order and have confronted law enforcement officials with a situation with which they cannot adequately cope.

Anyone who doubts this need only pick up any morning newspaper to read of the communities across the land which have been rocked in recent weeks by rioting, looting, bloodshed, and large-scale disorder.

Last night Tampa, Fla., lost an entire city block to rioters. A so-called peaceful sit-in demonstration in a welfare office in Roxbury, Mass., 2 weeks ago resulted in a night of bloody rioting, looting, and gunfire.

Throughout America, it is now common practice for firemen to request police protection before responding to a fire alarm in areas of their city where sniping has lately become a popular outdoor sport.

Mr. Speaker, this society has endured much. For the most part, it has acted with enormous patience in the face of enormous provocation.

There is no one among us who does not remember with awe and wholehearted respect the quiet, nonviolent civil rights demonstrations of the early sixties. The dignity and nobility of men and women, boys and girls, who were trying desperately to illustrate the terrible deprivations imposed on them by virtue of their race—and only their race—moved the Congress and the Nation as never before in our history.

From those demonstrations, the best and most far-reaching guarantees for true liberty for all our citizens were enacted into law and reaffirmed throughout our land.

Our courts have the power to help the demonstrators—singly and in groups. The current Supreme Court decision underscores the imperative need of our courts to exercise their authority to prevent the eruption of violence.

In the past, the Supreme Court has made several landmark decisions in connection with freedom of speech and assembly. I would like to cite a few of them:

Mr. Justice Holmes, speaking for the Court in *Schenck* v. *United States*, 249 U.S. 47.51–52, said:

The character of every act depends upon the circumstances in which it is done. . . . The most stringent protection of free speech would not protect a man in falsely shouting fire in a theatre and causing a panic. It does not even protect a man from injunction against uttering words that have all the

effect of force. . . . The question in every case is whether the words used are in such circumstances and are of such a nature as to create a clear and present danger that they will bring about the substantive evils that Congress has a right to prevent.

In the case of *Cox* v. *Louisiana*, 379 U.S. 536, 554, the Court stated:

The rights of free speech and assembly, while fundamental to our democratic society, still do not mean that everyone with opinions or beliefs to express may address a group at any public place and at any time. The constitutional guarantee of liberty implies the existence of an organized society maintaining public order, without which liberty itself would be lost in the excesses of anarchy.

The control of travel on the streets is a clear example of governmental responsibility to insure this necessary order. A restriction in that relation, designed to promote the public conveniences in the interests of all, and not susceptible to abuses of discriminatory application, cannot be disregarded by the attempted exercise of some civil right which, in other circumstances, would be entitled to protection. . . .

Governmental authorities have the duty and responsibility to keep their streets open and available for movement. . . . We emphatically reject the notion urged by appellant that the First and Fourteenth amendments afford the same kind of freedom to those who would communicate ideas by conduct such as patrolling, marching, and picketing on streets and highways, as these amendments afford to those who communicate ideas by pure speech.

The Supreme Court has further stated:

When the clear and present danger of riot, disorder, interference with traffic upon the public streets, or other immediate threat to public safety, peace, or order, appears, the power of the State to prevent or punish is obvious.

Cantwell v. *Connecticut*, 310 U.S. 296, 308.

Mr. Speaker, today is June 13, 9 days short of the beginning of yet another "long hot summer."

I for one, have had enough of looting, of burning buildings, of threats and counterthreats, of the deaths of small children and men and women caught in the path of flying rocks or the gunsights of hidden snipers.

This Nation is fed up with lawlessness; fed up with individuals—regardless of race—who will not take their grievances to the courts, where they belong.

We are fed up with so-called spokesmen who endlessly harangue about their rights whether they be clad in the robes of black power advocate, the white sheets of the Ku Klux Klan, or the brown shirts of the American Nazi Party.

With the legislation now on the books and with this hallmark decision of the Supreme Court upholding the power of the lower courts to enforce their authority, let us see to it that the self-styled vigilantes for whatever cause are persuaded to the wisdom of court battles, not street battles.

Let us exert our energy in voter registration drives, in efforts to raise the economic status of minority groups, in campaigns for better education and better housing through cooperation with local communities so that all our citizens may truly benefit from the wondrous privileges of this great Nation.

I cannot recall seeing it written anywhere in words of fire that "All men are entitled to a free ride."

Yet we are entitled, each and every one of us, to earn our own place in the world.

In this country, we can be what we set out to be if we respect ourselves and the rights of others. The golden rule may be a little bent around the edges, but thank God there are millions of Americans who have not forgotten it.

"If all the world were just, there would be no need of valor," Plutarch said.

We might also recall the words of Rousseau:

Where is the man who owes nothing to the land in which he lives? Whatever that land may be, he owes to it the most precious thing possessed by man—the morality of his actions and the love of virtue.

These riots are not spontaneous in most instances. They are usually fanned and instigated by agitators well known to local authorities. I believe local authorities should enjoin them before they start the riots.

I hope courts will not hestitate, in the light of the Supreme Court decision to enjoin those who would take the law into their own hands and then hold them in contempt if they flout the injunction. This is the road to restoring peace in our Republic.

WITH NASSER, FOOD FOR PEACE IN REALITY FOOD FOR WAR

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. FINDLEY] is recognized for 60 minutes.

Mr. FINDLEY. Mr. Speaker, the record is now abundantly clear: The Congress was right and the administration wrong over the past 4 years in regard to aid to Egypt.

With Nasser, food for peace was in reality food for war. In handling his government over a billion dollars worth of aid, the United States actually financed the subversion of its own policies in the Middle East.

To our discredit and disadvantage, we gave our most dedicated and devious antagonist in that vital region the means of political survival. Without this aid, local unrest would doubtless have forced him to divert into food purchases the resources he poured into his ill-fated military adventures in the Middle East and Africa.

Since 1963 the Congress has repeatedly expressed its objection to financial aid in any form to the Nasser regime—most recently by the Findley amendment to the 1966 agricultural appropriation bill, which shut off aid under Public Law 480 to any country making shipments to North Vietnam.

Despite this clear expression of congressional will and other similar enactments that preceded it, the administration nevertheless within the past year extended nearly $70 million in credit to Egypt.

This loan was made by the Department of Agriculture's Commodity Credit Corporation. The first payment amounting to $2,665,784 fell due on June 3 and on that date the Nasser regime made only a token payment of 10 percent—$260,000—leaving the 90-percent balance in arrears.

This means that the American taxpayer is now left holding the bag for the $70 million minus the $260,000 token payment. I detailed this almost unbelievable action granting CCC credit in an extension in the daily RECORD on March 15, page A1327.

Fifty million dollars of this credit was extended to Nasser after the House of Representatives by an overwhelming vote—290 to 98—on April 26, 1966, had enacted the Findley amendment to the Agricultural appropriation bill. The first $20 million in credit was granted on April 8, and the balance of $50 million on July 1, 1966.

All economic assistance to Egypt under foreign aid was halted in 1963 by congressional action over the protests of the administration. Congress then sought to bar aid to Egypt under Public Law 480 but under administration pressure finally watered the language down so as to permit the President to set aside the restriction if he deemed such to be in the national interest. On a rollcall vote every Republican except one voted against giving the administration this loophole.

It was not until the 1966 amendment, which Republicans supported without exception, that Presidential discretion on Nasser aid was removed.

Down through the years the administration has contended Congress should give it flexibility—that is, not tie its hands. The theory is that the President should be able to change policies in "the national interest."

Time and again the administration argued that discretionary authority would give the President "leverage" in diplomacy. Behind the demand was the contention that the President has better knowledge of foreign affairs and accordingly his judgment is superior to that of Congress.

If this contention ever had any basis in fact—and I question whether it ever did—it was certainly proven wrong in regard to aid-to-Egypt.

Consistently for 10 years Egypt has sought to subvert our foreign policy objectives. This effort has been especially pronounced since the Casablanca Conference of 1960.

Nevertheless the administration has just as consistently heaped aid on the Nasser regime.

Therefore, I conclude that the Congress was eminently right in seeking to impose inflexible rules against aid to Egypt. This episode should give new heart to those who believe Congress should assert a stronger role in foreign policy.

In this statement, I will set forth the record of American economic assistance to Egypt—including foreign aid, food aid, Commodity Credit Corporation credit, and Export-Import Bank guarantees—since 1961, contrasting this benevolence with Nasser's systematic efforts to undermine our objectives in the Middle East, North Africa, the Congo, Vietnam, and in the United Nations.

The record demonstrates conclusively that never in the last 6 years has aid to the Egyptian Government been in our national interest.

The President has clearly acted against the national interest in continuing to exercise his discretion to extend aid to Nasser. So great has been our economic assistance to Egypt—it totals over 1 billion dollars—that Egypt ranks third among all nations in total U.S. aid.

Without this aid food shortage long ago might have overtaken the Egyptian population and forced Nasser out of office or into new policies. In those circumstances his only chance for continued political survival would have been to halt all aggression and active diplomacy against the United States and devote every available resource to food production and population control.

To appraise the significance of Nasser's foreign policy it is necessary first to outline the objectives of his Egyptian foreign policy.

The first objective has been the removal of Western influence in the Middle East. To accomplish this Nasser sought first to destroy or seriously weaken the Baghdad Pact—CENTO—a Western military alliance designed to prevent Soviet aggression. He further sought to weaken the Eisenhower doctrine which was designed to eliminate Soviet subversion through civil wars, coups, and internal revolutions. Next, he sought to eliminate pro-Western leaders. In this effort he directed his efforts in subversion and political assassination against King Hussein of Jordan, King Faisal of Iraq, and the monarchy of Saudi Arabia. Nasser sought to eliminate British influence by supporting the rebels in Kuwait, Yemen, and Aden.

Once Western influence was removed, Nasser aimed to fill the power vacuum thus created not with Soviet power, but through the establishment of an Egyptian hegemony. The United Arab Republic capital at Cairo and its leadership was to be entrusted to Nasser himself.

This objective would be accomplished by the use of political assassination to destroy those who—even though pro-Western like Kassem of Iraq—opposed Egypt's role as the leading Arab power. To accomplish the ultimate goal of uniting all of Egypt under Nasser's political and military influence required the destruction of the state of Israel. If he could accomplish this last objective Nasser's prestige and leadership would be unquestioned in the Arab world.

U.S. POLICY IN THE MIDDLE EAST

U.S. policy in the Middle East rests upon two principles. The first is based on point 12 of President Wilson's Fourteen Points. This point specifically dealt with the disposition of the Ottoman Empire in the Middle East and established the U.S. respect for the general principle of national self-determination. Thus our commitment to preserve the territorial and administrative integrity of all Middle Eastern States—including Egypt and Israel—is based historically upon President Wilson's Fourteen Points. The second major U.S. objective in the Middle East has been to keep to an absolute minimum Soviet influence. The Truman doctrine opposed direct Soviet aggression in Turkey and Iran while the Eisenhower doctrine stated U.S. opposition to Soviet subversion in the Middle East.

However, U.S. policymakers seem unable to fathom that these two points are really in conflict with one another. By building up the strength of the Arab world without distinguishing between our enemies and our friends we have opened the way for Soviet influence and weakened the position of Israel. First, the threat to stability in the Middle East does not originate so much from the Soviet Union as it does from certain fanatical Arab elements. Thus the Eisenhower doctrine has in many respects outgrown its usefulness. Originally formulated it was designed to build up the economic strength of the Arab States so they could not be subverted by internal revolution based on social and economic distress and dislocation. The Eisenhower doctrine, formulated at a time when the Soviets were in fact eyeing the Middle East, sought to, first, assist the Middle East to develop its economic strength; second, undertake programs of military assistance; and third, provide for the employment of the Armed Forces of the United States where appropriate and if requested. The key elements however, were one and two. The Soviet Union reacted by doing indirectly what they could not do directly. Playing on the jealousy and disunity in the Arab world it sought to aline itself with the most fanatical elements of the Arab world, that is, Syria and Egypt. This would provide a counterweight to the U.S. allies, notably Saudi Arabia and Jordan. Soviet inspired efforts to topple governments friendly to the United States in Lebanon and Jordan failed, but did succeed in Iraq in 1958. Iraq then dropped out of the Baghdad Pact.

The Soviet Union, however, has worked through a proxy, Egypt. Nasser is no Communist and, in fact, he has ruthlessly suppressed local Communist parties. But the Soviets have been willing to overlook this and use him for their own purposes. Soviet aid to Nasser and diplomatic support is similar to that used to bolster Patrice Lumumba in the Congo in 1960–61.

Thus Egypt, despite great American aid, has been the most disruptive element in the Middle East. It has worked to destroy our policies not only in connection with Israel, but also with Jordan and Saudi Arabia. Likewise it has sought to subvert American goals in North Africa and "black" Africa and in many other areas where Egyptian influence is limited to diplomatic and political maneuvers.

The United States has financed the potential destruction of everything it has sought to create in the Middle East and North Africa by bolstering the regime of Nasser.

U.S. AID TO UNITED ARAB REPUBLIC

Recent American aid to Nasser has been restricted almost entirely to the distribution of surplus agricultural commodities. To realize the importance of these commodities to Nasser one must first realize that Egypt is constantly on the verge of widespread famine. Its present population will double in 23 years. Egypt looks to the Aswan Dam—which we refused to finance in 1956—as the answer to its food production problems. But the production from new lands thereby opened up will be absorbed by the population born during the 10-year period needed to construct the dam.

Egypt has put almost no money or effort in modernizing its agriculture. Egypt is the third largest recipient of American food, loans, and grants since World War II. The value of this food is, in fact, almost double what the Soviet Union has contributed to the Aswan Dam. Egyptian leaders give great publicity to the Russian gift but press the lid on publicity about food from the United States, without which it could not survive. Egypt itself, produces only enough food to support its rural population. Our aid has been the buffer between Nasser's wholehearted support from the people which allowed him to undermine our policies and riots in the street because of famine which would have resulted in his dismissal. Our surplus agricultural commodities, sold for local currency, has allowed Nasser to save on precious hard currency, much of which was then loaned back to the Government for development projects. Furthermore, the United States has assisted Nasser by extensive loan guarantees through the U.S. governmental Export-Import Bank. At the close of business on June 30, 1966, there were $25,906,800 outstanding in Export-Import Bank commitments to Egypt.

Our food aid to Nasser ended in June 1966. It could not be resumed because of the passage and enactment into law of my amendment to the Agriculture Appropriation Act of 1966 and a similar amendment to the Food for Peace Act, both of which prohibit U.S. concessional sales under Public Law 480 to any country which trades with North Vietnam. Egypt was thus forced to use its scarce dollar reserves to buy $50 million worth of U.S. wheat—enough to last until February of 1967.

The Congress clearly restricted Public Law 480 loans to Egypt unless the "President determines that such sale is in the national interest of the United States." This amendment was added in 1966 and applied to local currency and to concessional dollar sale. In 1965 I had proposed an amendment to Public Law 480 to prohibit use of any agricultural funds during the fiscal year 1965 to finance export of agricultural commodities to the United Arab Republic under title I. The administration and the Democratic leadership opposed my amendment and it was defeated. In 1966 when a similar amendment was offered the administration protested that it would tie the President's hands in foreign policy. Against my better judgment and that of many Congressmen, the President was given discretionary authority to conduct such sales if "they were in the national interest of the United States."

U.S. AID TO EGYPT NOT IN THE "NATIONAL INTEREST"

The fact of the matter is, however, the President broke faith with the Congress. In retrospect it is clear—and it was clear to many of us at the time—that our agri-

cultural assistance to Nasser was against the national interest of the United States. It was not against our national interest because Nasser told us to "go jump in the lake." Insults, while outrageous, are nothing more than political rhetoric designed for domestic consumption. It was against our national interest because Nasser sought to undermine every objective we had to preserve the peace and reduce Soviet influence in the Middle East.

What I propose to do now is to set out the record of Nasser's every effort since 1958 to undermine the position of the United States wherever and whenever he thought his influence was great enough to do it.

First, to recapitulate, since 1946 we have extended to the United Arab Republic $1,133,000,000 in economic aid of which only $93 million has been repaid. Only a little more than $20 million was extended to the United Arab Republic before Nasser came to power in 1953.

NASSER UNDERMINES PROPOSED MIDEAST DEFENSE PACT

In 1953 the United States was anxious to promote regional defense pacts patterned on the NATO Alliance. We sought to draw the Arab countries into a broader military scheme which would encompass the Middle East as a whole. However, the plan was thwarted from the beginning by the United Arab Republic. It refused to accept the proposals for a Western sponsored Middle East Command and instead proclaimed a policy of positive neutralism. Other nationalist Arab nations followed Egypt's example.

While I have no argument with any country's desire to remain genuinely neutral it was obvious from the beginning that Nasser, like the Tower of Pisa, was leaning to one side in his neutrality. In 1955 it was disclosed that the United Arab Republic was buying enormous supplies of arms from Czechoslovakia. Soviet economic aid was being used to penetrate Egypt and open the way for Soviet influence in the Nile Valley.

EGYPT SEIZES CANAL

In 1956 Egypt violated international law by seizing the Suez Canal. In fairness to Egypt, however, it must be admitted that she operated the canal efficiently and opened it to all traffic except Israeli. Likewise she compensated the stockholders of Joint British-French Canal Co. However, Nasser rejected any plan for an internationalization of the canal.

NASSER THREATENS LEBANON GOVERNMENT

In April 1957, pro-Nasser elements attempted to overthrow the pro-Western monarchy of the Hashemite Kingdom of Jordan. Secretary Dulles said, "The U.S. regards the independence and integrity of Jordan as vital" to our national interest. In 1958 Nasser's fifth column in Lebanon precipitated a civil war and U.S. Marines were landed to restore order. Nasser threatened to send Egyptian "volunteers" to Lebanon. On both occasions we mistakenly believed at the time that the incidents were created by the Soviet Union, but we now know that instead they were created by Nasser. Nasser's announced goal was the establishment of Egyptian hegemony over all the Nile Valley. There was to be one United Arab Republic with its capital in Cairo and its President was to be none other than Colonel Nasser.

Although Nasser could not overthrow King Hussein his influence was strong enough to prevent Jordan's entry into the Baghdad Pact.

NASSER PROMOTES CRISES IN IRAQ

Beginning in 1955 Nasser initiated a crisis with Iraq. Nasser was strongly opposed to any move which would continue the presence of Great Britain and the United States in the Middle East. He viewed the Baghdad Pact in which Iraq was a member as an obstacle to the removal of Western influence. In addition Egypt's troubles with Iraq involved a historical rivalry between the Valley of the Nile and the Land of Mesopotamia. Since Nasser sought the role of standard bearer of Arab nationalism for himself alone he could not share it with the center of another power and civilization. In 1958 Nasser gave covert aid and diplomatic and political support for the Iraq revolution which overthrew the monarchy and established General Kassem as the strongman. Iraq immediately withdrew from the Baghdad Pact. Although Kassem was to oppose Nasser on the question of Kuwait, Nasser's principal goal of dismantling CENTO—The Baghdad Pact—had received a great boost. CENTO had been established to remove or prevent Soviet influence in the Middle East. Now Nasser had prevented Jordan's entry and been largely responsible for the withdrawal of Iraq.

Up to this point the United States had given the Nasser government over $100 million in economic assistance.

Nasser, however, soon found displeasure with Kassem's independence. In October 1959 pro-Nasser elements shot and wounded the Premier in an attempt on his life. In February 1963 Kassem was overthrown and executed. The situation in Iraq remained unstable for awhile, but in November, a Nasser admirer, Abdel Salam Mohammed Arif, led a military coup and ousted the provisional government. Arif announced he would continue to work for unity with Egypt and Syria. On May 3, 1964, he presented a provisional constitution consciously patterned after Egypt's "in preparation for the forthcoming union" of Iraq and Egypt.

UNITED ARAB REPUBLIC LOOKS SOUTH TO "BLACK AFRICA"

The Pan-Arab offensive of Nasser's was clearly running out of steam by the end of 1959. Although Nasser had enjoyed some triumphs, notably his union with Syria—later to be dissolved—and the withdrawal from the Baghdad Pact of Iraq and a new found friendship with the U.S.S.R., Nasser had been unsuccessful in Lebanon, Jordan, and Saudi Arabia.

The newly independent nations of Africa, provided tempting targets for Cairo's influence. During the first 6 years of his regime, Nasser's interest in Africa was symbolic rather than actual. However, by 1960 Nasser perceived that many of the so-called Black African states were developing close political and economic ties with Israel. Powerful radio Cairo beamed broadcasts to the south in Swahili and other native languages. Its broadcasts were decidedly revolutionary in character. Opposing Western imperialism, real or imaginary—without acknowledging its steady retreat from the African Continent—this propaganda attacked at the same time local federalism and tribalism in favor of the emerging central governments. Nasser sought to move into the vacuum of leadership caused by the withdrawal of British and French influence. Egypt participated in a number of African conferences held in Cairo, Lagos, Conakry, and Casablanca.

CASABLANCA CONFERENCE AND THE CONGO

This meeting was held in Casablanca between January 5 and 7, 1961. It was attended by the heads of state of Morocco, the United Arab Republic, Guinea, Ghana, and Mali; and important personages from Algeria, Ceylon—hardly an African power. The conference was to interpret Africa's role in international relations. It was held at the height of the Congo crisis.

The passage of time has partially eroded how close the world came to a genuine international conflict resulting from the crisis in the Congo in 1960–61. The prospect that soldiers of the Warsaw Pact would attempt to remove Belgian soldiers—a nation which was a member of NATO—would have precipitated a direct confrontation between NATO and the Warsaw Pact. The Casablanca Conference came out strongly for the Lumumba faction in the Congo. Once Lumumba was assassinated the United Arab Republic quickly denounced United Nations intervention in the Congo and sought in every way to block its usefulness and effectiveness. The United Arab Republic had been appointed in November 1960 as a member of the Congo Conciliation Commission, but Egypt withdrew. So repugnant were Egyptian activities in the Congo that the Kasavubu government in December 1960 ousted its diplomatic mission. Egypt then announced its plans to withdraw its forces from the peacekeeping operation and to send arms to the Congo rebels.

All of these matters came to a head at the Casablanca Conference which was the watershed of Nasser's attempts to destroy United States and U.N. policy in the Congo. The conference affirmed its belief that the Lumumba government was the legal government and declared the members intention to withdraw their troops from United Nations command. Egypt promised military assistant to the supporters of Mr. Lumumba in Stanleyville. The conference adopted an Egyptian resolution denouncing Israel as "an instrument in the service of imperialism and neo-colonialism not only in the Middle East but also in Africa and Asia." Egypt joined in the resolution condemning the North Atlantic Treaty Organization.

The U.S. policy on the Congo has been to support the United Nations efforts to preserve the nation intact and to keep the major powers out of the conflict by preserving the peace with U.N. forces. Nasser sought to subvert this policy through his support for the Lumumba government—rapidly losing popular favor—and his unilateral withdrawal from the conciliation commission and threatened withdrawal from the U.N. forces.

Egyptian representatives in the United Nations were silent during Soviet attacks on Secretary General Hammarskjold's efforts in the Congo.

THE BELGRADE CONFERENCE

To heighten and increase their influence with the "Third World," President Tito of Yugoslavia and President Nasser arranged for a conference of the heads of state of 29 unalined nations to be held in Belgrade, Yugoslavia, beginning September 1, 1961. The conference opened during the Berlin crisis and the announcement by the Soviet Union that it was resuming atmospheric nuclear tests.

The final communique of the conference listed 27 points, almost all of which embarrassed U.S. policy and favored the then current position of the Soviet Union. Nasser himself was reported to have been one of the moving spirits of the conference. In the conference resolution there was a complete absence of any condemnation or even mention of the Soviet nuclear tests. The conference called for the abolition of all foreign military bases, and singled out the U.S. base at Guantanamo Bay, Cuba, as affecting Cuba's sovereignty and territorial integrity. The resolutions also hinted approval for the troika concept of the Soviets for an International Secretariat of the United Nations by calling for a reorganization of the U.N. Secretariat to achieve wider regional representation. The conference also called for the admission of Communist China to the United Nations.

MORE TROUBLE IN THE MIDDLE EAST

In October 1962 Nasser sent troops to Yemen to aid the republican forces in their civil war with the royalists and for the next several months Egypt and Saudi Arabia hovered on the brink of war. During the crisis in Yemen the United Nations was attempting to ascertain the facts and restore peace.

EGYPT AND VIETNAM

Egypt has consistently sought to undermine the U.S. position on the Vietnam question.

The United Arab Republic has carried on active economic relations with North Vietnam for many years. In 1946, Egypt sold North Vietnam at least $200,000 in cotton yarn and during 1965 this rose to $370,000. The Far East Economic Review, 1965 yearbook, reported:

> A delegation led by the vice-minister for foreign trade for North Vietnam arrived in Cairo and signed a long-term agreement, a payment agreement and a protocol for the year. The UAR will supply North Vietnam with cotton, cotton yarn, textiles, lorry tyres, petroleum and petroleum products.

"Government and Politics in Southeast Asia," second edition, published in 1964 by Cornell University stated:

> North Vietnam imports agricultural products, raw cotton, steel, petroleum products, industrial equipment, machinery, rubber and transportation equipment from Egypt.

These two articles demonstrate rather clearly the tremendous economic support that North Vietnam enjoys from the United Arab Republic.

Egypt has not only given the North Vietnamese considerable diplomatic support by demanding that the United States stop its air attacks, but has even bolstered the National Liberation Front, permitting the establishment of an NFL office in Cairo.

On November 24, 1966, President Nasser demanded that the United States stop bombing NVN and pull its troops out of South Vietnam. It was in that same speech that Nasser referred to the friendship between his country and the Soviet Union as "remote from selfish aims, a friendship of ideals, and a friendship for the sake of principle."

Radio Cairo consistently attacks U.S. actions in Vietnam as "a new threat to world peace."

EGYPT IN THE UNITED NATIONS

Although on a few major matters Egypt has voted with the United States in the United Nations, for the most part she has consistently opposed our objectives by either voting against our position or abstaining.

On the matter of Communist China's representation in the United Nations, Egypt abstained until the 1956 session. Since that time Egypt has consistently voted with the Soviet bloc on the matter of Peking's representation.

In 1965 Egypt voted against a resolution which called "for the cessation of all practices which deprive the Tibetan people of the human rights and fundamental freedoms which they have always enjoyed."

On the Hungary question Egypt has consistently abstained from voting against the Soviet Union.

The degree to which Egypt has voted against the United States in the General Assembly is detailed below:

Session	Number of major issues	Number of times Egypt voted with United States against U.S.S.R.
1960	37	1
1961	43	3
1962	29	4
1963	23	3
1964	(1)	
1965	[2] 147	9
1966	[2] 163	9

[1] No record votes.
[2] All issues.

Egypt consistently votes against the United States a higher percentage of the time than any other nation in the Middle East. It was not always so. From 1946 through 1954, Egypt voted with the United States on 60 percent of the major political, noncolonial questions in the United Nations.

EGYPTIAN NATIONALIZATION OF U.S. FIRMS

Precise and accurate information on the assets of U.S. firms which have been nationalized in the Middle East is not available. For a number of reasons, the companies are reluctant to discuss specifics concerning the nationalization of their properties.

International law clearly recognized—see U.N. GA Resolution 1803 adopted December 14, 1962—that in cases of nationalization of private property[1] "the owner shall be paid appropriate compensation . . . in accordance with international law."

Most companies nationalized in the Middle East by the United Arab Republic or Syria averaged at least an annual return of upwards of 10 percent on their investments. Consequently the typical offer by the Egyptian and Syrian Governments for 15 year negotiable bonds bearing 3 percent per annum represents a substantial loss of income.

Two American companies nationalized by the Nasser government, the American Middle East Corp.—a food processing and packaging firm—and the American Eastern Co. undertook negotiations with the government before any actual decree was promulgated and obtained an agreement for cash payment on installments, rather than bonds. However, because of the foreign exchange difficulties of the United Arab Republic Government, there have been occasional lapses in the prompt payment of these installments.

Where the Government has not nationalized firms, it has boycotted any of them that have engaged in trade with Israel. On December 2, 1966, the United Arab Republic and other Arab States blacklisted eight companies including Ford Motor Co., Coca Cola, and RCA because of their economic relations with Israel. Jordan in April of this year banned and blacklisted more than 50 companies on the ground that they had dealt with Israel. Among the companies were E. J. Korvette, Inc. Arab forces were also set to blacklist B. F. Goodrich & Co., but the company received a last minute reprieve when the matter came up in February 1965.

EGYPT-ISRAEL

The record of President Nasser's attempts to subvert and destroy the State of Israel are well known and need not be repeated here. However, it should be reemphasized that Nasser has never complied with the 1951 resolution of the United Nations General Assembly calling for free passage of Israel ships through the Suez Canal. Egyptian closing of the Gulf of Aqaba was not only against accepted principles of international law as determined in the Corfu Channel case before the International Court of Justice in The Hague in 1947, but the 1958 Geneva Convention on Passage Through International Waterways.

CONCLUSION

Congress determined that American surplus agricultural commodities could be sold to Egypt only if the President found the transaction to be within "the national interest." Congress did not use the term "national interest" lightly. It means that our aid to Egypt must not be against accepted American policy in the Middle East nor may it be used in a way that subverts that policy.

The President broke faith with the Congress by continuing aid shipments of surplus agricultural commodities to Egypt. Although Egypt has been the third largest recipient of our food program, Nasser consistently, year after year, does all in his power to abort U.S. polices in the Middle East, the Congo and elsewhere through deliberate acts of subversive plots, alleged attempted assas-

[1] Egypt voted for this resolution on final passage. However, she also supported an unsuccessful Soviet amendment which, in effect, denied the right of compensation for property taken.

sinations of neighboring leaders friendly to the United States and overt, active support of anti-American regimes throughout the area. Without our aid it is questionable whether Nasser would have survived. Thus, our aid has had the curious result of subverting our own policies. Such a prostituted concept of the "national interest" was never intended by the Congress.

Since 1964 Republicans consistently have attempted to cut off economic assistance and surplus agricultural commodities to the United Arab Republic. Time and time again these efforts were blocked by the President and the Democratic leadership in the Congress. Despite the fact that aid was to be extended to the United Arab Republic only in "the national interest" or if the President was certain Egypt was no longer engaged in "aggression," the President has continued, in one form or the other, some type of assistance to Nasser. The "national interest" apparently does not include, according to the President's logic, taking into consideration the November 26, 1964, burning of the Kennedy Memorial Library in Cairo; the December 19, 1964, shooting down of an unarmed U.S. commercial plane, and Nasser's Arab leaders friendly to the West, expropriate and blacklist U.S. business firms.

The extent to which the United States has been left "holding the bag" to use an expression is nowhere more dramatically illustrated than in the fact that despite the fact the United Arab Republic owed the United States $2,665,784 in CCC loans—principal and interest—on June 3, of this year, she paid only 10 percent of what she owed as of that date—$260,000.

CHRONOLOGY OF CONGRESSIONAL EFFORTS TO BAN AID TO UNITED ARAB REPUBLIC

In 1964 consideration of H.R. 11380, Representative SAMUEL S. STRATTON, Democrat, of New York, offered an amendment which would prohibit foreign aid to the United Arab Republic unless the President determined that the United Arab Republic was not engaging in or preparing for aggression against Israel or any other Eastern Mediterranean country. This was rejected after heated debate, in a standing vote 32 to 83.

In January 1965 the House Appropriations Committee reported House Resolution 234 on supplemental funds for the Commodity Credit Corporation. An appropriation for $1.6 billion was accepted by a voice vote. The bill was then recommitted to add language barring the use of funds to finance the export of any U.S. agricultural commodities to Egypt under title 1 of Public Law 480. Representative ROBERT H. MICHEL, Republican, of Illinois, moved for recommittal, which was adopted by a rollcall vote, 204 to 177. Republicans voted solidly for recommittal.

This action was taken in retaliation for anti-American incidents in Egypt, and among those cited were: the November 26, 1964, burning of the Kennedy Memorial Library in Cairo; the December 19 shooting down of an unarmed U.S. commercial plane; and the December 23 Nasser speech supporting Congolese rebels and telling the United States to "go jump in the lake."

Opponents of the amendment objected that the restriction would tie the President's hands.

Representative MICHEL stated:

Nasser's record of interference in affairs of other countries in the past has been documented many times. Under a variety of pretexts our aid has nevertheless continued . . . If we do not wish to see the dignity of the laws of the U.S. flouted by every petty national leader who wishes to enhance his position, we must act.

WILLIAM F. RYAN, Democrat, of New York, felt that aid would enhance the arms race in the Middle East. CARL ALBERT, Democrat, of Oklahoma and GEORGE H. MAHON, Democrat, of Texas, were in opposition on the grounds that they did not wish to restrict the President's authority.

The Senate, by a 44 to 38 rollcall vote—D. 38–17, R. 6–21—agreed to an administration-backed committee amendment substantially weakening the House ban on food to Egypt. Senator JACK MILLER, Republican, of Iowa, proposed an amendment to permit aid to Egypt under the 1962 agreement only with congressional approval. This was rejected.

The House on February 8, rejected by 165 to 241 on a rollcall vote a motion by ROBERT H. MICHEL, Republican, of Illinois, to instruct House conferees not to accept the Senate amendment. Only one Republican voted against the motion, but 240 Democrats voted, in effect, to permit discretion on aid to the United Arab Republic.

Also in 1965, Public Law 89–171, the Foreign Assistance Act of 1965 was amended to stipulate that no sales of surplus U.S. agricultural commodities for foreign currency could go to the United Arab Republic unless the President determined that it was in the U.S. national interest.

Under title I of Public Law 480, the United States was allowed to sell surplus farm goods to foreign countries for the currency of the recipient nation. The January 26 and May 26 proposals were two of a series of efforts in recent years to limit or halt aid to some nations, usually those with Communist governments. The January 26 proposal—later modified to give the President discretionary authority, instead of imposing a flat ban—applied only to the United Arab Republic.

Both of the May 26 proposals sought to insert the same language in the bill, applying the ban to both the United Arab Republic and Indonesia. The House first rejected the amendment, offered by PAUL FINDLEY, Republican, of Illinois, by voice vote.

FINDLEY said his amendment would have "the beneficial effect of serving notice to Nasser and to Sukarno that we resent the insults they have directed our way in recent months; that we are putting on record our desire to shut them off from this form of foreign aid."

The second May 26 vote was on the recommittal motion, offered by Representative FRANK T. BOW, Republican, of Ohio. The motion instructed the committee to add the language of the Findley amendment and report the bill back to the House. The 187 to 208 vote rejecting the motion was almost an exact reversal of the 204 to 177 vote, January 26, accepting the similar motion. Only two Republicans voted against the Bow motion while 206 Democrats voted against recommittal. The amendment would have prohibited use of any of the funds during fiscal 1966 to finance export of agricultural commodities to the United Arab Republic or Indonesia under title I of Public Law 480.

In June 1966 the House, in passing H.R. 14929, accepted an amendment by WILLIAM F. RYAN, Democrat, of New York, which would ban the sale of food to Egypt under title I—surplus products for foreign currency—unless the President determined that such action was in the national interest. The original Egypt provision applied only to local currency; RYAN's applied to local currency and to concessional dollar sales.

In October, the House and Senate adopted the second conference report on H.R. 14929, which revised the act of 1954.

In July, the House adopted an amendment by LEONARD FARBSTEIN, Democrat, of New York, and amended by SEYMOUR HALPERN, Republican, of New York, providing that no aid be given to the United Arab Republic unless it was essential to national interest, and would not be used to further aggression, and such action would be reported by the President within 30 days. The latter two of the three provisions were offered by Representative HALPERN.

In the Senate, on July 19, a similar provision was adopted by voice vote. This amendment was proposed by Senator JAVITS, Republican, of New York.

An April 26, the Findley amendment to the agricultural appropriations was adopted by the House, 290 to 98, and subsequently was enacted. It prohibited concessional sale aid under Public Law 480 to any nation, like Egypt, making shipments to North Vietnam.

AMERICAN COUNCIL OF YOUNG POLITICAL LEADERS

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. WILLIAM D. FORD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. WILLIAM D. FORD. Mr. Speaker, I recently had the privilege of addressing a group of 16 young European Christian Democratic political leaders at a meeting sponsored by the American Council of Young Political Leaders.

I was greatly impressed with the enthusiasm and interest displayed by these young visitors to our Nation. I am sure that they will return to their homes with a much better understanding of the United States and of our political system.

The American Council of Young Political Leaders is deserving of high praise for its sponsorship of such visits by

groups from other nations. This bipartisan organization is doing something more than just talking about international understanding—it is doing something about it.

If mankind is ever to abolish war from the face of the earth, we first must break down the barriers of mistrust and suspicion among the peoples of the world. There is no better way to accomplish this than through just such programs as this one conducted by the American Council of Young Political Leaders.

These young people will be the leaders of the world in years to come. They will be better leaders, more understanding and tolerant leaders, if they are able to expand their knowledge of other nations, other peoples, and other political systems.

This is why, Mr. Speaker, I am so pleased with the work being done by the American Council of Young Political Leaders. They have my wholehearted support in their program to further world understanding.

THE 14TH AMENDMENT—EQUAL PROTECTION LAW OR TOOL OF USURPATION

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. RARICK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. RARICK. Mr. Speaker, arrogantly ignoring clearcut expressions in the Constitution of the United States, the declared intent of its drafters notwithstanding, our unelected Federal judges read out prohibitions of the Constitution of the United States by adopting the fuzzy haze of the 14th amendment to legislate their personal ideas, prejudices, theories, guilt complexes, aims, and whims.

Through the cooperation of intellectual educators, we have subjected ourselves to accept destructive use and meaning of words and phrases. We blindly accept new meanings and changed values to alter our traditional thoughts.

We have tolerantly permitted the habitual misuse of words to serve as a vehicle to abandon our foundations and goals. Thus, the present use and expansion of the 14th amendment is a sham—serving as a crutch and hoodwink to precipitate a quasi-legal approach for overthrow of the tender balances and protections of limitation found in the Constitution.

But, interestingly enough, the 14th amendment—whether ratified or not—was but the expression of emotional outpouring of public sentiment following the War Between the States.

Its obvious purpose and intent was but to free human beings from ownership as a chattel by other humans. Its aim was no more than to free the slaves.

As our politically appointed Federal judiciary proceeds down their chosen path of chaotic departure from the peoples' government by substituting their personal law rationalized under the 14th amendment, their actions and verbiage brand them and their team as secessionists—rebels with pens instead of guns—seeking to divide our Union.

They must be stopped. Public opinion must be aroused. The Union must and shall be preserved.

Mr. Speaker, I ask to include in the RECORD, following my remarks, House Concurrent Resolution 208 of the Louisiana Legislature urging this Congress to declare the 14th amendment illegal. Also, I include in the RECORD an informative and well-annotated treatise on the illegality of the 14th amendment—the play toy of our secessionist judges—which has been prepared by Judge Leander H. Perez, of Louisiana.

The material referred to follows:

H. CON. RES. 208

A concurrent resolution to expose the unconstitutionality of the 14th admendment to the Constitution of the United States; to interpose the sovereignty of the State of Louisiana against the execution of said amendment in this State; to memorialize the Congress of the United States to repeal its joint resolution of July 28, 1868, declaring that said amendment had been ratified; and to provide for the distribution of certified copies of this resolution

Whereas the purported 14th Amendment to the United States Constitution was never lawfully adopted in accordance with the requirements of the United States Constitution because eleven states of the Union were deprived of their equal suffrage in the Senate in violation of Article V, when eleven southern states, including Louisiana, were excluded from deliberation and decision in the adoption of the Joint Resolution proposing said 14th Amendment; said Resolution was not presented to the President of the United States in order that the same should take effect, as required by Article 1, Section 7; the proposed amendment was not ratified by three-fourths of the states, but to the contrary fifteen states of the then thirty-seven states of the Union rejected the proposed 14th Amendment between the dates of its submission to the states by the Secretary of State on June 16, 1866 and March 24, 1868, thereby nullifying said Resolution and making it impossible for ratification by the constitutionally required three-fourths of such states; said southern states which were denied their equal suffrage in the Senate had been recognized by proclamations of the President of the United States to have duly constituted governments with all the powers which belong to free states of the Union, and the Legislatures of seven of said southern states had ratified the 13th Amendment which would have failed of ratification but for the ratification of said seven southern states; and

Whereas the Reconstruction Acts of Congress unlawfully overthrew their existing governments, removed their lawfully constituted legislatures by military force and replaced them with rump legislatures which carried out military orders and pretended to ratify the 14th Amendment; and

Whereas in spite of the fact that the Secretary of State in his first proclamation, on July 20, 1868, expressed doubt as to whether three-fourths of the required states had ratified the 14th Amendment, Congress nevertheless adopted a resolution on July 28, 1868, unlawfully declaring that three-fourths of the states had ratified the 14th Amendment and directed the Secretary of State to so proclaim, said Joint Resolution of Congress and the resulting proclamation of the Secretary of State included the purported ratifications of the military enforced rump legislatures of ten southern states whose lawful legislatures had previously rejected said 14th Amendment, and also included purported ratifications by the legislatures of the States of Ohio and New Jersey although they had withdrawn their legislative ratifications several months previously, all of which proves absolutely that said 14th Amendment was not adopted in accordance with the mandatory constitutional requirements set forth in Article V of the Constitution and therefore the Constitution itself strikes with nullity the purported 14th Amendment.

Now therefore be it resolved by the Legislature of Louisiana, the House of Representatives and the Senate concurring:

(1) That the Legislature go on record as exposing the unconstitutionality of the 14th Amendment, and interposes the sovereignty of the State of Louisiana against the execution of said 14th Amendment against the State of Louisiana and its people;

(2) That the Legislature of Louisiana opposes the use of the invalid 14th Amendment by the Federal courts to impose further unlawful edicts and hardships on its people;

(3) That the Congress of the United States be memorialized by this Legislature to repeal its unlawful Joint Resolution of July 28, 1868, declaring that three-fourths of the states had ratified the 14th Amendment to the United States Constitution;

(4) That the Legislatures of the other states of the Union be memorialized to give serious study and consideration to take similar action against the validity of the 14th Amendment and to uphold and support the Constitution of the United States which strikes said 14th Amendment with nullity; and

(5) That copies of this Resolution, duly certified, together with a copy of the treatise on "The Unconstitutionality of the 14th Amendment" by Judge L. H. Perez, be forwarded to the Governors and Secretaries of State of each state in the Union, and to the Secretaries of the United States Senate and House of Congress, and to the Louisiana Congressional delegation, a copy hereof to be published in the Congressional Record.

VAIL M. DELONY,
Speaker of the House of Representatives.
C. C. AYCOCK,
Lieutenant Governor and President of the Senate.

THE 14TH AMENDMENT IS UNCONSTITUTIONAL

The purported 14th Amendment to the United States Constitution is and should be held to be ineffective, invalid, null, void and unconstitutional for the following reasons:

1. The Joint Resolution proposing said Amendment was not submitted to or adopted by a Constitutional Congress. Article I, Section 3, and Article V of the U.S. Constitution.

2. The Joint Resolution was not submitted to the President for his approval. Article I, Section 7.

3. The proposed 14th Amendment was rejected by more than one-fourth of all the States then in the Union, and it was never ratified by three-fourths of all the States in the Union. Article V.

I. THE UNCONSTITUTIONAL CONGRESS

The U.S. Constitution provides:

Article I, Section 3. "The Senate of the United States shall be composed of two Senators from each State * * *"

Article V provides: "No State, without its consent, shall be deprived of its equal suffrage in the Senate."

The fact that 23 Senators had been unlawfully excluded from the U.S. Senate, in order to secure a two-thirds vote for adoption of the Joint Resolution proposing the 14th Amendment is shown by Resolutions of pro-

test adopted by the following State Legislatures:

The New Jersey Legislature by Resolution of March 27, 1868, protested as follows:

"The said proposed amendment not having yet received the assent of the three-fourths of the states, which is necessary to make it valid, the natural and constitutional right of this state to withdraw its assent is undeniable * * *."

"That it being necessary by the constitution that every amendment to the same should be proposed by two-thirds of both houses of congress, the authors of said proposition, for the purpose of securing the assent of the requisite majority, determined to, and did, exclude from the said two houses eighty representatives from eleven states of the union, upon the pretence that there were no such states in the Union; but, finding that two-thirds of the remainder of the said houses could not be brought to assent to the said proposition, they deliberately formed and carried out the design of mutilating the integrity of the United States senate, and without any pretext or justification, other than the possession of the power, without the right, and in palpable violation of the constitution, ejected a member of their own body, representing this state, and thus practically denied to New Jersey its equal suffrage in the senate, and thereby nominally secured the vote of two-thirds of the said houses." [1]

The Alabama Legislature protested against being deprived of representation in the Senate of the U.S. Congress.[2]

The Texas Legislature by Resolution on October 15, 1866, protested as follows:

"The amendment to the Constitution proposed by this joint resolution as Article XIV is presented to the Legislature of Texas for its action thereon, under Article V of that Constitution. This Article V, providing the mode of making amendments to that instrument, contemplates the participation by all the States through their representatives in Congress, in proposing amendments. As representatives from nearly one-third of the States were excluded from the Congress proposing the amendments, the constitutional requirement was not complied with; it was violated in letter and in spirit; and the proposing of these amendments to States which were excluded from all participation in their initiation in Congress, is a nullity." [3]

The Arkansas Legislature, by Resolution on December 17, 1866, protested as follows:

"The Constitution authorized two-thirds of both houses of Congress to propose amendments; and, as eleven States were excluded from deliberation and decision upon the one now submitted, the conclusion is inevitable that it is not proposed by legal authority, but in palpable violation of the Constitution." [4]

The Georgia Legislature, by Resolution on November 9, 1866, protested as follows:

"Since the reorganization of the State government, Georgia has elected Senators and Representatives. So has every other State. They have been arbitrarily refused admission to their seats, not on the ground that the qualifications of the members elected did not conform to the fourth paragraph, second section, first article of the Constitution, but because their right of representation was denied by a portion of the States having equal but not greater rights than themselves. They have in fact been forcibly excluded; and, inasmuch as all legislative power granted by the States to the Congress is defined, and this power of exclusion is not among the powers expressly or by implication, the assemblage, at the capitol, of representatives from a portion of the States, to the exclusion of the representatives of another portion, cannot be a constitutional Congress, when the representation of each State forms an integral part of the whole.

"This amendment is tendered to Georgia for ratification, under that power in the Constitution which authorizes two-thirds of the Congress to propose amendments. We have endeavored to establish that Georgia had a right, in the first place, as a part of the Congress, to act upon the question, 'Shall these amendments be proposed?' Every other excluded State had the same right.

"The first constitutional privilege has been arbitrarily denied. Had these amendments been submitted to a constitutional Congress, they never would have been proposed to the States. Two-thirds of the whole Congress never would have proposed to eleven States voluntarily to reduce their political power in the Union, and at the same time, disfranchise the larger portion of the intellect, integrity and patriotism of eleven co-equal States." [5]

The Florida Legislature, by Resolution of December 5, 1866, protested as follows:

"Let this alteration be made in the organic system and some new and more startling demands may or may not be required by the predominant party previous to allowing the ten States now unlawfully and unconstitutionally deprived of their right of representation to enter the Halls of the National Legislature. Their right to representation is guaranteed by the Constitution of this country and there is no act, not even that of rebellion, can deprive them of its exercise." [6]

The South Carolina Legislature by Resolution of November 27, 1866, protested as follows:

"Eleven of the Southern States, including South Carolina, are deprived of their representation in Congress. Although their Senators and Representatives have been duly elected and have presented themselves for the purpose of taking their seats, their credentials have, in most instances, been laid upon the table without being read, or have been referred to a committee, who have failed to make any report on the subject. In short, Congress has refused to exercise its Constitutional functions, and decide either upon the election, the return, or the qualification of these selected by the States and people to represent us. Some of the Senators and Representatives from the Southern States were prepared to take the test oath, but even these have been persistently ignored, and kept out of the seats to which they were entitled under the Constitution and laws.

"Hence this amendment has not been proposed by 'two-thirds of both Houses' of a legally constituted Congress, and is not, Constitutionally or legitimately, before a single Legislature for ratification." [7]

The North Carolina Legislature protested by Resolution of December 6, 1866 as follows:

"The Federal Constitution declares, in substance, that Congress shall consist of a House of Representatives, composed of members apportioned among the respective States in the ratio of their population, and of a Senate, composed of two members from each State. And in the Article which concerns Amendments, it is expressly provided that 'no State, without it consent, shall be deprived of its equal suffrage in the Senate.' The contemplated Amendment was not proposed to the States by a Congress thus constituted. At the time of its adoption, the eleven seceding States were deprived of representation both in the Senate and House, although they all, except the State of Texas, had Senators and Representatives duly elected and claiming their privileges under the Constitution. In consequence of this, these States had no voice on the important question of proposing the Amendment. Had they been allowed to give their votes, the proposition would doubtless have failed to command the required two-thirds majority. * * *

If the votes of these States are necessary to a valid ratification of the Amendment, they were equally necessary on the question of proposing it to the States; for it would be difficult, in the opinion of the Committee, to show by what process in logic, men of intelligence could arrive at a different conclusion." [8]

II. JOINT RESOLUTION INEFFECTIVE

Article I, Section 7 provides that not only every bill which shall have been passed by the House of Representatives and the Senate of the United States Congress, but that:

"Every order, resolution, or vote to which the concurrence of the Senate and House of Representatives may be necessary (except on a question of adjournment) shall be presented to the President of the United States; and before the same shall take effect, shall be approved by him, or being disapproved by him shall be repassed by two-thirds of the Senate and House of Representatives, according to the rules and limitations prescribed in the case of a bill."

The Joint Resolution proposing the 14th Amendment [9] was never presented to the President of the United States for his approval, as President Andrew Johnson stated in his message on June 22, 1866.[10] Therefore, the Joint Resolution did not take effect.

III. PROPOSED AMENDMENT NEVER RATIFIED BY THREE-FOURTHS OF THE STATES

1. Pretermitting the ineffectiveness of said resolution, as above, fifteen (15) States out of the then thirty-seven (37) States of the Union rejected the proposed 14th Amendment between the date of its submission to the States by the Secretary of State on June 16, 1866 and March 24, 1868, thereby further nullifying said resolution and making it impossible for its ratification by the constitutionally required three-fourths of such States, as shown by the rejections thereof by the Legislatures of the following states:

Texas rejected the 14th Amendment on October 27, 1866.[11]

Georgia rejected the 14th Amendment on November 9, 1866.[12]

Florida rejected the 14th Amendment on December 6, 1866.[13]

Alabama rejected the 14th Amendment on December 7, 1866.[14]

North Carolina rejected the 14th Amendment on December 14, 1866.[15]

Arkansas rejected the 14th Amendment on December 17, 1866.[16]

South Carolina rejected the 14th Amendment on December 20, 1866.[17]

Kentucky rejected the 14th Amendment on January 8, 1867.[18]

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[1] New Jersey Acts, March 27, 1868.

[2] Alabama House Journal 1866, pp. 210–213.

[3] Texas House Journal, 1866, p. 577.

[4] Arkansas House Journal, 1866, p. 287.

[5] Georgia House Journal, November 9, 1866, pp. 66–67.

[6] Florida House Journal, 1866, p. 76.

[7] South Carolina House Journal, 1866, pp. 33 and 34.

[8] North Carolina Senate Journal, 1866–67, pp. 92 and 93.

[9] 14 Stat. 358 etc.

[10] Senate Journal, 39th Congress, 1st sessn. p. 563, and House Journal p. 889.

[11] House Journal 1866, pp. 578–584—Senate Journal 1866, p. 471.

[12] House Journal 1866, p. 68—Senate Journal 1866, p. 72.

[13] House Journal 1866, p. 76—Senate Journal 1866, p. 8.

[14] House Journal 1866, pp. 210–213—Senate Journal 1866, p. 183.

[15] House Journal 1866–1867, p. 183—Senate Journal 1866–1867, p. 138.

[16] House Journal 1866, pp. 288–291—Senate Journal 1866, p. 262.

[17] House Journal 1866, p. 284—Senate Journal 1866, p. 230.

[18] House Journal 1867, p. 60—Senate Journal 1867, p. 62.

Virginia rejected the 14th Amendment on January 9, 1867.[19]

Louisiana rejected the 14th Amendment on February 6, 1867.[20]

Delaware rejected the 14th Amendment on February 7, 1867.[21]

Maryland rejected the 14th Amendment on March 23, 1867.[22]

Mississippi rejected the 14th Amendment on January 31, 1867.[23]

Ohio rejected the 14th Amendment on January 15, 1868.[24]

New Jersey rejected the 14th Amendment on March 24, 1868.[25]

There was no question that all of the Southern states which rejected the 14th Amendment had legally constituted governments, were fully recognized by the federal government, and were functioning as member states of the Union at the time of their rejection.

President Andrew Johnson, in his Veto message of March 2, 1867,[26] pointed out that:

"It is not denied that the States in question have each of them an actual government with all the powers, executive, judicial and legislative, which properly belong to a free State. They are organized like the other States of the Union, and, like them, they make, administer, and execute the laws which concern their domestic affairs."

If further proof were needed that these States were operating under legally constituted governments as member States in the Union, the ratification of the 13th Amendment by December 8, 1865 undoubtedly supplies this official proof. If the Southern States were not member States of the Union, the 13th Amendment would not have been submitted to their Legislatures for ratification.

2. The 13th Amendment to the United States Constitution was proposed by Joint Resolution of Congress [27] and was approved February 1, 1865 by President Abraham Lincoln, as required by Article I, Section 7 of the United States Constitution. The President's signature is affixed to the Resolution.

The 13th Amendment was ratified by 27 states of the then 36 states of the Union, including the Southern States of Virginia, Louisiana, Arkansas, South Carolina, Alabama, North Carolina and Georgia. This is shown by the Proclamation of the Secretary of State December 18, 1965.[28] Without the votes of these 7 Southern State Legislatures the 13th Amendment would have failed. There can be no doubt but that the ratification by these 7 Southern States of the 13th Amendment again established the fact that their Legislatures and State governments were duly and lawfully constituted and functioning as such under their State Constitutions.

3. Furthermore, on April 2, 1866, President Andrew Johnson issued a proclamation that, "the insurrection which heretofore existed in the States of Georgia, South Carolina, Virginia, North Carolina, Tennessee, Alabama, Louisiana, Arkansas, Mississippi and Florida is at an end, and is henceforth to be so regarded." [29]

On August 20, 1866, President Andrew Johnson issued another proclamation [30] pointing out the fact that the House of Representatives and Senate had adopted identical Resolutions on July 22nd [31] and July 25th, 1861,[32] that the Civil War forced by disunionists of the Southern States, was not waged for the purpose of conquest or to overthrow the rights and established institutions of those States, but to defend and maintain the supremacy of the Constitution and to preserve the Union with all equality and rights of the several states unimpaired, and that as soon as these objects are accomplished, the war ought to cease. The President's proclamation on June 13, 1865, declared the insurrection in the State of Tennessee had been suppressed.[33] The President's proclamation on April 2, 1866,[34] declared the insurrection in the other Southern States, except Texas, no longer existed. On August 20, 1866,[35] the President proclaimed that the insurrection in the State of Texas had been completely ended; and his proclamation continued: "the insurrection which heretofore existed in the State of Texas is at an end, and is to be henceforth so regarded in that State, as in the other States before named in which the said insurrection was proclaimed to be at an end by the aforesaid proclamation of the second day of April, one thousand, eight hundred and sixty-six.

"And I do further proclaim that the said insurrection is at an end, and that peace, order, tranquility, and civil authority now exist, in and throughout the whole of the United States of America."

4. When the State of Louisiana rejected the 14th Amendment on February 6, 1867, making the 10th state to have rejected the same, or more than one-fourth of the total number of 36 states of the Union as of that date, thus leaving less than three-fourths of the states possibly to ratify the same, the Amendment failed of ratification in fact and in law, and it could not have been revived except by a new Joint Resolution of the Senate and House of Representatives in accordance with Constitutional requirement.

5. Faced with the positive failure of ratification of the 14th Amendment, both Houses of Congress passed over the veto of the President three Acts known as Reconstruction Acts, between the dates of March 2 and July 19, 1867, especially the third of said Acts, 15 Stat. p. 14 etc., designed illegally to remove with "Military force" the lawfully constituted State Legislatures of the 10 Southern States of Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Arkansas, Louisiana and Texas. In President Andrew Johnson's Veto message on the Reconstruction Act of March 2, 1867,[36] he pointed out these unconstitutionalities:

"If ever the American citizen should be left to the free exercise of his own judgment, it is when he is engaged in the work of forming the fundamental law under which he is to live. That work is his work, and it cannot properly be taken out of his hands. All this legislation proceeds upon the contrary Assumption that the people of each of these States shall have no constitution, except such as may be arbitrararily dictated by Congress, and formed under the restraint of military rule. A plain statement of facts makes this evident.

"In all these States there are existing constitutions, framed in the accustomed way by the people. Congress, however, declares that these constitutions are not 'loyal and republican,' and requires the people to form them anew. What, then, in the opinion of Congress, is necessary to make the constitution of a State 'loyal and republican?' The original act answers the question: 'It is universal negro suffrage, a question which the federal Constitution leaves exclusively to the States themselves. All this legislative machinery of martial law, military coercion, and political disfranchisement is avowedly for that purpose and none other. The existing constitutions of the ten States conform to the acknowledged standards of loyalty and republicanism. Indeed, if there are degrees in republican forms of government, their constitutions are more republican now, than when these States—four of which were members of the original thirteen—first became members of the Union."

In President Andrew Johnson's Veto message on the Reconstruction Act on July 19, 1867,[37] he pointed out various unconstitutionalities as follows:

"The veto of the original bill of the 2d of March was based on two distinct grounds, the interference of Congress in matters strictly appertaining to the reserved powers of the States, and the establishment of military tribunals for the trial of citizens in time of peace.

"* * * * * *

"A singular contradiction is apparent here. Congress declares these local State governments to be illegal governments, and then provides that these illegal governments shall be carried on by federal officers, who are to perform the very duties on its own officers by this illegal State authority. It certainly would be a novel spectacle if Congress should attempt to carry on a legal State government by the agency of its own officers. It is yet more strange that Congress attempts to sustain and carry on an illegal State government by the same federal agency.

"* * * * * *

"It is now too late to say that these ten political communities are not States of this Union. Declarations to the contrary made in these three acts are contradicted again and again by repeated acts of legislation enacted by Congress from the year 1861 to the year 1867.

"During that period, while these States were in actual rebellion, and after that rebellion was brought to a close, they have been again and again recognized as States of the Union. Representation has been apportioned to them as States. They have been divided into judicial districts for the holding of district and circuit courts of the United States, as States of the Union only can be districted. The last act on this subject was passed July 23, 1866, by which every one of these ten States was arranged into districts and circuits.

"They have been called upon by Congress to act through their legislatures upon at least two amendments to the Constitution of the United States. As States they have ratified one amendment, which required the vote of twenty-seven States of the thirty-six then composing the Union. When the requisite twenty-seven votes were given in favor of that amendment—seven of which votes were given by seven of these ten States—it was proclaimed to be a part of the Constitution of the United States, and slavery was declared no longer to exist within the United States or any place subject to their jurisdiction. If these seven States were not legal States of the Union, it follows as an inevitable consequence that in some of the States slavery yet exists. It does not exist

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[19] House Journal 1866–1867, p. 108—Senate Journal 1866–1867, p. 101.

[20] McPherson, Reconstruction, p. 194; Annual Encyclopedia, p. 452.

[21] House Journal 1867, p. 223—Senate Journal 1867, p. 176.

[22] House Journal 1867, p. 1141—Senate Journal 1867, p. 808.

[23] McPherson, Reconstruction, p. 194.

[24] House Journal 1868, pp. 44–50—Senate Journal 1868, pp. 33–38.

[25] Minutes of the Assembly 1868, p. 743—Senate Journal 1868, p. 356.

[26] House Journal, 39th Congress, 2nd Session. p. 563 etc.

[27] 13 Stat. p. 567.

[28] 13 Stat. p. 774.

[29] Presidential Proclamation No. 153, General Records of the United States, G.S.A. National Archives and Records Service.

[30] 14 Stat. p. 814.

[31] House Journal, 37th Congress, 1st Sessn. p. 123 etc.

[32] Senate Journal, 37th Congress, 1st Sessn. p. 91 etc.

[33] 13 Stat. 763.

[34] 14 Stat. p. 811.

[35] 14 Stat. 814.

[36] House Journal, 39th Congress, 2nd Sessn. p. 563 etc.

[37] 40th Congress, 1st Sessn. House Journal p. 232 etc.

in these seven States, for they have abolished it also in their State constitutions; but Kentucky not having done so, it would still remain in that State. But, in truth, if this assumption that these States have no legal State governments be true, then the abolition of slavery by these illegal governments binds no one, for Congress now denies to these States the power to abolish slavery by denying to them the power to elect a legal *State legislature*, or to frame a constitution for any purpose, even for such a purpose as the abolition of slavery.

"As to the other constitutional amendment having reference to suffrage, it happens that these States have not accepted it. The consequence is, that it has never been proclaimed or understood, even by Congress, to be a part of the Constitution of the United States. The Senate of the United States has repeatedly given its sanction to the appointment of judges, district attorneys, and marshals for every one of these States; yet, if they are not legal States, not one of these judges is authorized to hold a court. So, too, both houses of Congress have passed appropriation bills to pay all these judges, attorneys, and officers of the United States for exercising their functions in these States. Again, in the machinery of the internal revenue laws, all these States are districted, not as 'Territories,' but as 'States.'

"So much for continuous legislative recognition. The instances cited, however, fall far short of all that might be enumerated. Executive recognition, as is well known, has been frequent and unwavering. The same may be said as to judicial recognition through the Supreme Court of the United States.

"* * * * *

"To me these considerations are conclusive of the unconstitutionality of this part of the bill now before me, and I earnestly commend their consideration to the deliberate judgment of Congress. [And now to the Court.]

"Within a period less than a year the legislation of Congress has attempted to strip the executive department of the government of some of its essential powers. The Constitution, and the oath provided in it, devolve upon the President the power and duty to see that the laws are faithfully executed. The Constitution, in order to carry out this power, gives him the choice of the agents, and makes them subject to his control and supervision. But in the execution of these laws the constitutional obligation upon the President remains, but the powers to exercise that constitutional duty is effectually taken away. The military commander is, as to the power of appointment, made to take the place of its President, and the General of the Army the place of the Senate; and any attempt on the part of the President to assert his own constitutional power may, under pretence of law, be met by official insubordination. It is to be feared that these military officers, looking to the authority given by these laws rather than to the letter of the Constitution, will recognize no authority but the commander of the district and the General of the army.

"If there were no other objection than this to this proposed legislation, it would be sufficient."

No one can contend that the Reconstruction Acts were ever upheld as being valid and constitutional.

They were brought into question, but the Courts either avoided decision or were prevented by Congress from finally adjudicating upon their constitutionality.

In Mississippi v. President Andrew Johnson, (4 Wall. 475–502), where the suit sought to enjoin the President of the United States from enforcing provisions of the Reconstruction Acts, the U.S. Supreme Court held that the President cannot be enjoined because for the Judicial Department of the government to attempt to enforce the performance of the duties by the President might be justly characterized, in the language of Chief Justice Marshall, as "an absurd and excessive extravagance." The Court further said that if the Court granted the injunction against enforcement of the Reconstruction Acts, and if the President refused obedience, it is needless to observe that the Court is without power to enforce its process.

In a joint action, the states of Georgia and Mississippi brought suit against the President and the Secretary of War, (6 Wall. 50–78, 154 U.S. 554).

The Court said that:

"The bill then sets forth that the intent and design of the Acts of Congress, as apparent on thier face and by their terms, are to overthrow and annul this existing state government, and to erect another and different government in its place, unauthorized by the Constitution and in defiance of its guaranties; and that, in furtherance of this intent and design, the defendants, the Secretary of War, the General of the Army, and Major-General Pope, acting under orders of the President, are about setting in motion a portion of the army to take military possession of the state, and threaten to subvert her government and subject her people to military rule; that the state is holding inadequate means to resist the power and force of the Executive Department of the United States; and she therefore insists that such protection can, and ought to be afforded by a decree or order of his court in the premises."

The applications for injunction by these two states to prohibit the Executive Department from carrying out the provisions of the Reconstruction Acts directed to the overthrow of their government, including this dissolution of their state legislatures, were denied on the grounds that the organization of the government into three great departments, the executive, legislative and judicial, carried limitations of the powers of each by the Constitution. This case when the same way as the previous case of Mississippi against President Johnson and was dismissed without adjudicating upon the constitutionality of the Reconstruction Acts.

In another case, ex parte William H. McCardle (7 Wall. 506–515), a petition for the writ of habeas corpus for unlawful restraint by military force of a citizen not in the military service of the United States was before the United States Supreme Court. After the case was argued and taken under advisement, and before conference in regard to the decision to be made, Congress passed an emergency Act, (Act March 27, 1868, 15 Stat. at L. 44), vetoed by the President and repassed over his veto, repealing the jurisdiction of the U.S. Supreme Court in such case. Accordingly, the Supreme Court dismissed the appeal without passing upon the constitutionality of the Reconstruction Acts, under which the non-military citizen was held by the military without benefit of writ of habeas corpus, in violation of Section 9, Article I of the U.S. Constitution which prohibits the suspension of the writ of habeas corpus.

That Act of Congress placed the Reconstruction Acts beyond judicial recourse and avoided tests of constitutionality.

It is recorded that one of the Supreme Court Justices, Grier, protested against the action of the Court as follows:

"This case was fully argued in the beginning of this month. It is a case which involves the liberty and rights, not only of the appellant but of millions of our fellow citizens. The country and the parties had a right to expect that it would receive the immediate and solemn attention of the court. By the postponement of this case we shall subject ourselves, whether justly or unjustly, to the imputation that we have evaded the performance of a duty imposed on us by the Constitution, and waited for Legislative interposition to supersede our action, and relieve us from responsibility. I am not willing to be a partaker of the eulogy or opprobrium that may follow. I can only say . . . I am ashamed that such opprobrium should be cast upon the court and that it cannot be refuted."

The ten States were organized into Military Districts under the unconstitutional "Reconstruction Acts," their lawfully constituted Legislature illegally were removed by "military force," and they were replaced by rump, so-called Legislatures, seven of which carried out military orders and pretended to ratify the 14th Amendment, as follows:

Arkansas on April 6, 1868;[38]
North Carolina on July 2, 1868;[39]
Florida on June 9, 1868; [40]
Louisiana on July 9, 1868;[41]
South Carolina on July 9, 1868;[42]
Alabama on July 13, 1868;[43] and Georgia on July 21, 1868.[44]

6. Of the above 7 States whose Legislatures were removed and replaced by rump, so-called Legislatures, six (6) Legislatures of the States of Louisiana, Arkansas, South Carolina, Alabama, North Carolina and Georgia had ratified the 13th Amendment, as shown by the Secretary of State's Proclamation of December 18, 1865, without which 6 States' ratifications, the 13th Amendment could not and would not have been ratified because said 6 States made a total of 27 out of 36 States or exactly three-fourths of the number required by Article V of the Constitution for ratification.

Furthermore, governments of the States of Louisiana and Arkansas had been re-established under a Proclamation issued by President Abraham Lincoln December 8, 1863.[45]

The government of North Carolina had been re-established under a Proclamation issued by President Andrew Johnson dated May 29, 1865.[46]

The government of Georgia had been re-established under a proclamation issued by President Andrew Johnson dated June 17, 1865.[47]

The government of Alabama had been re-established under a Proclamation issued by President Andrew Johnson dated June 21, 1865.[48]

The government of South Carolina had been re-established under a Proclamation issued by President Andrew Johnson dated June 30, 1865.[49]

These three "Reconstruction Acts" [50] under which the above State Legislatures were illegally removed and unlawful rump or puppet so-called Legislatures were substituted in a mock effort to ratify the 14th Amendment, were unconstitutional, null and void, ab initio, and all acts done thereunder were also null and void, including the purported ratification of the 14th Amendment by said 6 Southern puppet State Legislatures of

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[38] McPherson, Reconstruction, p. 53.
[39] House Journal 1868, p. 15, Senate Journal 1868, p. 15.
[40] House Journal 1868, p. 9, Senate Journal 1868, p. 8.
[41] Senate Journal 1868, p. 21.
[42] House Journal 1868, p. 50, Senate Journal 1868, p. 12.
[43] Senate Journal, 40th Congress, 2nd Sessn. p. 725.
[44] House Journal, 1868, p. 50.
[45] Vol. I, pp. 288–306; Vol. II, pp. 1429–1448—"The Federal and State Constitutions," etc., compiled under Act of Congress on June 30, 1906, Francis Newton Thorpe, Washington Government Printing Office (1906).
[46] Same, Thorpe, Vol. V, pp. 2799–2800.
[47] Same, Thorpe, Vol. II, pp. 809–822.
[48] Same, Thorpe, Vol. I, pp. 116–132.
[49] Same, Thorpe, Vol. VI, pp. 3269–3281.
[50] 14 Stat. p. 428, etc. 15 Stat. p. 14, etc.

Arkansas, North Carolina, Louisiana, South Carolina, Alabama and Georgia.

Those Reconstruction Acts of Congress and all acts and things unlawfully done thereunder were in violation of Article IV, Section 4 of the United States Constitution, which required the United States to guarantee every State in the Union a republican form of government. They violated Article I, Section 3, and Article V of the Constitution, which entitled every State in the Union to two Senators, because under provisions of these unlawful Acts of Congress, 10 States were deprived of having two Senators, or equal suffrage in the Senate.

7. The Secretary of State expressed doubt as to whether three-fourths of the required states had ratified the 14th Amendment, as shown by his Proclamation of July 20, 1868.[51] Promptly on July 21, 1868, a Joint Resolution[52] was adopted by the Senate and House of Representatives declaring that three-fourths of the several States of the Union had ratified the 14th Amendment. That resolution, however, included purported ratifications by the unlawful puppet Legislatures of 5 States, Arkansas, North Carolina, Louisiana, South Carolina and Alabama, which had previously rejected the 14th Amendment by action of their lawfully constituted Legislatures, as above shown. This Joint Resolution assumed to perform the function of the Secretary of State in whom Congress, by Act of April 20, 1818, had vested the function of issuing such proclamation declaring the ratification of Constitutional Amendments.

The Secretary of State bowed to the action of Congress and issued his Proclamation of July 28, 1868,[53] in which he stated that he was acting under authority of the Act of April 20, 1818, but pursuant to said Resolution of July 21, 1868. He listed three-fourths or so of the then 37 states as having ratified the 14th Amendment, including the purported ratification of the unlawful puppet Legislatures of the States of Arkansas, North Carolina, Louisiana, South Carolina and Alabama. Without said 5 unlawful purported ratifications there would have been only 25 states left to ratify out of 37 when a minimum of 28 states was required for ratification by three-fourths of the States of the Union.

The Joint Resolution of Congress and the resulting Proclamation of the Secretary of State also included purported ratifications by the States of Ohio and New Jersey, although the Proclamation recognized the fact that the Legislatures of said states, several months previously, had withdrawn their ratifications and effectively rejected the 14th Amendment in January, 1868, and April, 1868.

Therefore, deducting these two states from the purported ratifications of the 14th Amendment, only 23 State ratifications at most could be claimed; whereas the ratification of 28 States, or three-fourths of 37 States in the Union, were required to ratify the 14th Amendment.

From all of the above documented historic facts, it is inescapable that the 14th Amendment never was validly adopted as an article of the Constitution, that it has no legal effect, and it should be declared by the Courts to be unconstitutional, and therefore null, void and of no effect.

THE CONSTITUTION STRIKES THE 14TH AMENDMENT WITH NULLITY

The defenders of the 14th Amendment contend that the U.S. Supreme Court has finally decided upon its validity. Such is not the case.

In what is considered the leading case, Coleman v. Miller, 307 U.S. 448, 59 S. Ct. 972, the U.S. Supreme Court did not uphold the validity of the 14th Amendment.

In that case, the Court brushed aside constitutional questions as though they did not exist. For instance, the Court made the statement that:

"The legislatures of Georgia, North Carolina and South Carolnia had rejected the amendment in November and December, 1866. New governments were erected in those States (and in others) under the direction of Congress. The new legislatures ratified the amendment, that of North Carolina on July 4, 1868, that of South Carolina on July 9, 1868, and that of Georgia on July 21, 1868."

And the Court gave no consideration to the fact that Georgia, North Carolina and South Carolina were three of the original states of the Union with valid and existing constitutions on an equal footing with the other original states and those later admitted into the Union.

What constitutional right did Congress have to remove those state governments and their legislatures under unlawful military power set up by the unconstitutional "Reconstruction Acts," which had for their purpose, the destruction and removal of these legal state governments and the nullification of their Constitutions?

The fact that these three states and seven other Southern States had existing Constitutions, were recognized as states of the Union, again and again; had been divided into judicial districts for holding their district and circuit courts of the United States; had been called upon by Congress to act through their legislatures upon two Amendments, the 13th and 14th, and by their ratifications had actually made possible the adoption of the 13th Amendment; as well as their state governments having been re-established under Presidential Proclamations, as shown by President Andrew Johnson's Veto message and proclamations, were all brushed aside by the Court in Coleman by the statement that: "New governments were erected in those States (and in others) under the direction of Congress," and that these new legislatures ratified the Amendment.

The U.S. Supreme Court overlooked that it previously had held that at no time were these Southern States out of the Union. White v. Hart, 1871, 13 Wall. 646, 654.

In Coleman, the Court did not adjudicate upon the invalidity of the Acts of Congress which set aside those state Constitutions and abolished their state legislatures,—the Court simply referred to the fact that their legally constituted legislatures had rejected the 14th Amendment and that the "new legislatures" had ratified the Amendment.

The Court overlooked the fact, too, that the State of Virginia was also one of the original states with its Constitution and Legislature in full operation under its civil government at the time.

The Court also ignored the fact that the other six Southern States, which were given the same treatment by Congress under the unconstitutional "Reconstruction Acts", all had legal constitutions and a republican form of government in each state, as was recognized by Congress by its admission of those states into the Union. The Court certainly must take judicial cognizance of the fact that before a new state is admitted by Congress into the Union, Congress enacts an Enabling Act to enable the inhabitants of the territory to adopt a Constitution to set up a republican form of government as a condition precedent to the admission of the state into the Union, and upon approval of such Constitution, Congress then passes the Act of Admission of such state.

All this was ignored and brushed aside by the Court in the Coleman case. However, in Coleman the Court inadvertently said this:

"Whenever official notice is received at the Department of State that any amendment proposed to the Constitution of the United States has been adopted, according to the provisions of the Constitution, the Secretary of State shall forthwith cause the amendment to be published, with his certificate, specifying the States by which the same may have been adopted, and that the same has become valid, to all intents and purposes, as a part of the Constitution of the United States."

In Hawke v. Smith, 1920, 253 U.S. 221, 40 S. Ct. 227, the U.S. Supreme Court unmistakably held:

"The fifth article is a grant of authority by the people to Congress. The determination of the method of ratification is the exercise of a national power specifically granted by the Constitution; that power is conferred upon Congress, and is limited to two methods, by action of the Legislatures of three-fourths of the states, or conventions in a like number of states. Dodge v. Woolsey, 18 How. 331, 348, 15 L. Ed. 401. The framers of the Constitution might have adopted a different method. Ratification might have been left to a vote of the people, or to some authority of government other than that selected. The language of the article is plain, and admits of no doubt in its intrepretation. It is not the function of courts or legislative bodies, national or state, to alter the method which the Constitution has fixed."

We submit that in none of the cases, in which the Court avoided the constitutional issues involved in the composition of the Congress which adopted the Joint Resolution for the 14th Amendment, did the Court pass upon the constitutionality of the Congress which purported to adopt the Joint Resolution for the 14th Amendment, with 80 Representatives and 23 Senators, in effect, forcibly ejected or denied their seats and their votes on the Joint Resolution proposing the Amendment, in order to pass the same by a two-thirds vote, as pointed out in the New Jersey Legislature Resolution on March 27, 1868.

The constitutional requirements set forth in Article V of the Constitution permit the Congress to propose amendments only whenever two-thirds of both houses shall deem it necessary,—that is, two-thirds of both houses as then constituted without forcible ejections.

Such a fragmentary Congress also violated the constitutional requirements of Article V that no state, without its consent, shall be deprived of its equal suffrage in the Senate.

There is no such thing as giving life to an amendment illegally proposed or never legally ratified by three-fourths of the states. There is no such thing as amendment by laches; no such thing as amendment by waiver; no such thing as amendment by acquiescence; and no such thing as amendment by any other means whatsoever except the means specified in Article V of the Constitution itself.

It does not suffice to say that there have been hundreds of cases decided under the 14th Amendment to supply the constitutional deficiencies in its proposal or ratification as required by Article V. If hundreds of litigants did not question the validity of the 14th Amendment, or questioned the same perfunctorily without submitting documentary proof of the facts of record which made its purported adoption unconstitutional, their failure cannot change the Constitution for the millions in America. The same thing is true of laches; the same thing is true of acquiescence; the same thing is true of ill considered court decisions.

To ascribe constitutional life to an alleged amendment which never came into being according to specific methods laid down in Article V cannot be done without doing violence to Article V itself. This is true, because the only question open to the courts is whether the alleged 14th Amendment became a part of the Constitution through a

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[51] 15 Stat. p. 706.

[52] House Journal, 40th Congress, 2nd Sessn. p. 1126 etc.

[53] 15 Stat. p. 708.

method required by Article V. Anything beyond that which a court is called upon to hold in order to validate an amendment, would be equivalent to writing into Article V another mode of the amendment which has never been authorized by the people of the United States.

On this point, therefore, the question is, was the 14th Amendment proposed and ratified in accordance with Article V?

In answering this question, it is of no real moment that decisions have been rendered in which the parties did not contest or submit proper evidence, or the Court assumed that there was a 14th Amendment. If a statute never in fact passed by Congress, through some error of administration and printing got into the published reports of the statutes, and if under such supposed statute courts had levied punishment upon a number of persons charged under it, and if the error in the published volume was discovered and the fact became known that no such statute had ever passed in Congress, it is unthinkable that the Courts would continue to administer punishment in similar cases, on a non-existent statute because prior decisions had done so. If that be true as to a statute we need only realize the greater truth when the principle is applied to the solemn question of the contents of the Constitution.

While the defects in the method of proposing and the subsequent method of computing "ratification" is briefed elsewhere, it should be noted that the failure to comply with Article V began with the first action by Congress. The very Congress which proposed the alleged 14th Amendment under the first part of Article V was itself, at that very time, violating the last part as well as the first part of Article V of the Constitution. We shall see how this was done.

There is one, and only one, provision of the Constitution of the United States which is forever immutable—which can never be changed or expunged. The Courts cannot alter it; the executives cannot change it; the Congress cannot change it; the States themselves—even all the States in perfect concert—cannot amend it in any manner whatsoever, whether they act through conventions called for the purpose or through their legislatures. Not even the unanimous vote of every voter in the United States could amend this provision. It is a perpetual fixture in the Constitution, so perpetual and so fixed that if the people of the United States desired to change or exclude it, they would be compelled to abolish the Constitution and start afresh.

The unalterable provision is this: "that no State, without its consent, shall be deprived of its equal suffrage in the Senate."

A state, by its own consent, may waive this right of equal suffrage, but that is the only legal method by which a failure to accord this immutable right of equal suffrage in the Senate can be justified. Certainly not by forcible ejection and denial by a majority in Congress, as was done for the adoption of the Joint Resolution for the 14th Amendment.

Statements by the Court in the Coleman case that Congress was left in complete control of the mandatory process, and therefore it was a political affair for Congress to decide if an amendment had been ratified, does not square with Article V of the Constitution which shows no intention to leave Congress in charge of deciding whether there has been a ratification. Even a constitutionally recognized Congress is given but one volition in Article V, that is, to vote whether to propose an Amendment on its own initiative. The remaining steps by Congress are mandatory. If two-thirds of both houses shall deem it necessary. Congress shall propose amendments; if the Legislatures of two-thirds of the States make application, Congress shall call a convention. For the Court to give Congress any power beyond that to be found in Article V is to write the new material into Article V.

It would be inconceivable that the Congress of the United States could propose, compel submission to, and then give life to an invalid amendment by resolving that its effort had succeeded—regardless of compliance with the positive provisions of Article V.

It should need no further citations to sustain the proposition that neither the Joint Resolution proposing the 14th Amendment nor its ratification by the required three-fourths of the States in the Union were in compliance with the requirements of Article V of the Constitution.

When the mandatory provisions of the Constitution are violated, the Constitution itself strikes with nullity the Act that did violence to its provisions. Thus, the Constitution strikes with nullity the purported 14th Amendment.

The Courts, bound by oath to support the Constitution, should review all of the evidence herein submitted and measure the facts proving violations of the mandatory provisions of the Constitution with Article V, and finally render judgment declaring said purported Amendment never to have been adopted as required by the Constitution.

The Constitution makes it the sworn duty of the judges to uphold the Constitution which strikes with nullity the 14th Amendment.

And, as Chief Justice Marshall pointed out for a unanimous Court in Marbury v. Madison (1 Cranch 136 @ 179):

"The framers of the constitution contemplated the instrument as a rule for the government of courts, as well as of the legislature."

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"Why does a judge swear to discharge his duties agreeably to the constitution of the United States, if that constitution forms no rule for his government?"

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"If such be the real state of things, that is worse than solemn mockery. To prescribe, or to take this oath, becomes equally a crime."

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"Thus, the particular phraseology of the constitution of the United States confirms and strengthens the principle, supposed to be essential to all written constitutions * * * courts, as well as other departments, are bound by that instrument."

The federal courts actually refuse to hear argument on the invalidity of the 14th Amendment, even when the issue is presented squarely by the pleadings and the evidence as above.

Only an aroused public sentiment in favor of preserving the Constitution and our institutions and freedoms under constitutional government, and the future security of our country, will break the political barrier which now prevents judicial consideration of the unconstitutionality of the 14th amendment.

THE MIDEAST CRISIS—NOT BACKWARD TO BELLIGERENCY BUT FORWARD TO PEACE

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. TENZER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. TENZER. Mr. Speaker, the distinguished Foreign Minister of the State of Israel, Abba Eban, in his address to the United Nations Security Council on June 6, 1967, set the theme for a lasting peace in the Middle East so much desired by all the peace-loving nations of the world. His address was entitled, "Not Backward to Belligerency but Forward to Peace."

On June 7, 1967, following the first United Nations resolution calling for a cease-fire in the Middle East, I stated to a distinguished group of Americans who visited me in Washington as follows:

I deem it most imperative that the terms of the agreement to follow the cease fire provide effective guarantees, to the end that permanent peace may be established in the Middle East.

The interests of world peace would best be served if the terms provide:

1. For *recognition* of the validity of the sovereignty of the State of Israel by the U.A.R. and other Arab states.
2. A *reaffirmation* that the Gulf of Aqaba is an international waterway and will remain open for free passage to shipping of all nations through the Straits of Tiran.
3. An opening of the Suez Canal to shipping of *all* nations.
4. An ending of terrorism and border raids so that Israel may carry out its desire to live in peace with its neighbors.
5. For direct negotiations between Israel and her Arab neighbors for the resolution of other pending issues.

Indeed, it is within the province of the sovereign State of Israel to speak its mind on the terms of the agreement to follow the cease-fire—the terms which in its view will best insure permanent peace in the Middle East. We on the other hand take the opportunity to make suggestions which in our opinion will best secure the peace of the world—thereby also serving the best interests of the United States.

An elaboration of the five points suggested on June 7, 1966, is accordingly in order.

I. THE STATE OF ISRAEL A SOVEREIGN NATION

The State of Israel is a member of the United Nations—a full-fledged member of the family of nations. Though the integrity of her borders were guaranteed by the major powers—three times in 20 years—the State of Israel was obliged to go to war to put a stop to the violation of her boundary lines.

It is therefore basic to any plan for permanent peace in the Middle East that the sovereignty of the State of Israel be recognized by her neighbors. This fact cannot be questioned—this truth is and should not be negotiable because its import was underlined by the events of the past 10 days.

The foundation for a permanent peace in the Middle East must be the absolute and unqualified recognition by the Arab States of the right of the State of Israel to exist as a sovereign state among other sovereign states. When this foundation is laid, then Israel and her Arab neighbors can, through direct negotiations, begin to build the structure leading to permanent peace.

II. STRAIT OF TIRAN AN INTERNATIONAL WATERWAY

Since 1950, Egypt has repeatedly given assurances that the Strait of Tiran would remain open for "innocent passage

of foreign ships," to the Gulf of Aqaba. That phrase used at the United Nations Conference on the Law of the Sea in 1958 must become the permanent and binding policy of the United Arab Republic and other Arab nations. It is a policy which must be guaranteed by the United States, the Soviet Union, and the United Nations.

We must never again have to sit by and watch one nation unilaterally dictate a denial of the right of "innocent passage" of an international waterway for its own political purposes to another member of the maritime family of nations

The right of the State of Israel to free access through the Strait of Tiran to the Gulf of Aqaba must be absolute. It must never again be tested by a blockade or political maneuver of another nation.

III. OPEN SUEZ CANAL TO ALL NATIONS

It follows logically from recognition of the sovereignty of the State of Israel that she is entitled to and must have access to all international waterways. Seaway robbery—whether in the Gulf of Aqaba or the Suez Canal—must be banned by the United Nations for all time. Twice in the last 10 years we have seen the Suez Canal become a focal point for violence. The world cannot afford—in the face of other great problems—another such occurrence, another experience in brinksmanship.

IV. TO LIVE IN PEACE WITH ITS NEIGHBORS

The surrounding Arab nations must cease once and for all time their open and notorious campaign of threats, boycotts, and border violations. First, the Fedayeen raids, and more recently the El Fatah raids on peaceful settlements and farmers, have challenged the integrity of the territorial borders of the State of Israel.

The numerous excursions into Israel territory for the purposes of sabotage and destruction must be avoided and prevented. Until this can be achieved with adequate international guarantees, the Middle East will continue to be a threat to international peace.

The State of Israel must negotiate its own peace. However, for this to become a reality, all nations must stand together in urging direct negotiations between Israel and her Arab neighbors for the establishment of permanent peace.

V. DIRECT NEGOTIATIONS BETWEEN ISRAEL AND THE ARAB NATIONS

The disputes which have led to three Middle East wars in the past 20 years must be settled by direct negotiations between Israel and the Arab nations. The United Nations should endorse and promote such direct negotiations and provide effective guarantees for enforcement of settlement provisions agreed upon. The United States, the Soviet Union, Great Britain, and France should encourage such direct negotiations.

THE REFUGEE PROBLEM

One of the most serious problems facing the nations of the Middle East is the resettlement of refugees. On October 17, 1966—daily CONGRESSIONAL RECORD, page A5336—I warned of the grave danger posed by the recruitment of refugees in the Palestine Liberation Organization—PLO—and other terrorist forces dedicated to the destruction of the State of Israel.

At that time, to encourage direct negotiations for a permanent peace, I called for a cessation of U.S. contributions to the United Nations Relief and Works Administration—UNRWA—which has fed, housed, and educated 10,000 to 15,000 Arab refugees enrolled in the PLO. These refugees were trained in the Gaza strip and Sinai for aggression against Israel.

Now the Arab refugee situation has reached a new peak and the problem still remains totally unsolved.

For 19 years the Arab nations with vast open land stood idly by, utterly neglecting the more than 1 million Arab refugees starving at their borders. They have stood by while hunger, disease, and poverty stalked the refugee camps.

During this same period, the State of Israel absorbed between 80,000 to 100,000 refugees per year. With hard work, sweat, and tears—arid land, desert land, and mountainous terrain was converted into arable lands, producing abundant crops—some never before known to the area. Vast amounts of food were grown to feed a growing population, reduce the dependence on imports, and in fact resulted in producing excess quantities of certain commodities which became available for export.

The people of the State of Israel are a compassionate people. Their heritage calls for feeding the hungry, clothing the naked, providing shelter for the unhoused, healing the sick, caring for the widows, and orphans, and educating the uneducated.

If left alone, to negotiate directly with her Arab neighbors, I am certain that bold and imaginative programs to bring relief to the Arab refugees and to resettle them on the vast open lands would be forthcoming.

The State of Israel, showing compassion and consideration as some of her spokesmen have already indicated, is prepared to devise and design plans for the permanent solution of this 20-year-old problem. These programs need not be confined to the 1.3 million Palestinian refugees but also to the other millions of Arabs, subject to the approval of the heads of their respective States, once they begin to live in peace with the State of Israel.

Mr. Speaker, it is estimated that the world population now stands at approximately 3.3 billion and that approximately one-third of the world's population goes to sleep hungry every night.

It has also been reported that in some underdeveloped nations of the world, hundreds of people die from hunger, starvation, or malnutrition every day.

The United States has carried on a massive program of distributing surplus food and agricultural products throughout the world and in the Middle East, but some authorities have stated that by the 1970's our agricultural surpluses will be exhausted.

The policy of self-help has been demonstrated in various ways over the past 20 years. One example is Israel, where arid, desert, mountainous land was reclaimed, redeveloped, and converted into arable and productive land. Twenty years ago and even up to 10 years ago various commodities were rationed. Eggs were rationed in the early history of the State but have not been on the ration list for many years. Today Israel is one of the largest exporters of eggs. It is also an exporter of citrus products.

In the State of Israel newcomers from 71 different nations of the world, many of whom never before worked on a farm, have been settled on farms, labored diligently, and have prospered.

Mr. Speaker, with this background and with the knowledge that our President has already started to plan for economic assistance, and in the hope that direct negotiations between Israel and her Arab neighbors will soon be underway, I am taking the liberty of proposing a vast agricultural resettlement plan for the Arab refugees in the Middle East.

A SUGGESTED PLAN FOR PERMANENT PEACE IN THE MIDDLE EAST

First. The 1.3 million Palestinian refugees should be resettled through the creation of a United Nations Economic Commission for the Middle East.

Second. The United States, the Soviet Union, Great Britain, and France should agree to cease shipment of offensive arms to the Middle East.

Third. Under the peace treaty arrived at by direct negotiations, Israel and its Arab neighbors should invite the United Nations to participate in administering a comprehensive agricultural resettlement program.

Fourth. Specified areas in the Middle East should be set aside for resettlement of the Palestinian Arabs on the land.

Fifth. All refugee camps operated by and with U.N. support should be phased out over a short term of years.

Pending abolition of these refugee camps, all ration cards should be reissued and only to those who are entitled to hold them under the existing or new set of guidelines to be established.

To the extent possible private funds should also be employed in this vast resettlement project which has for its purpose the dissolution of one of the major contributing factors to unrest in the Middle East.

Also to the extent possible the foreign oil companies should explore the use of available funds and part of their excess profits to develop lands around their projects.

Mr. Speaker, there is an opportunity for imagination in designing an overall resettlement program for refugees in the Middle East. During the past 20 years, the number of refugees has been increasing at a rate of about 30,000 a year and efforts to meet the refugee problem have been lackluster and unimaginative.

In 1965, I visited Hong Kong and learned of an experiment in resettlement of refugees unparalleled in history. The plan was developed by the Kadoorie brothers, former residents of mainland China, and who prospered in Hong Kong.

The city of Hong Kong had a population of approximately 600,000 20 years ago, and today there are more than 3.6

million, increasing daily as refugees pour in from mainland China.

Twenty years ago the Kadoorie brothers established an experimental farm to determine which of the world's agricultural products could be grown in the undeveloped sections and on the mountain slopes of the new territory in Kowloon, part of the British Crown Colony of Hong Kong. The Kadoorie brothers, consulting with British and American agricultural specialists, soon learned that the mountainous regions could be terraced and the land could be developed to supply food for the great influx of refugees and for the residents of Hong Kong who up to that time depended entirely upon the importation of food.

The Kadoorie brothers started a program of selling land to any family who so desired in small plots—4½-acre parcels. They provided plans for the construction of homes, chicken coops, pig sties, and supplied all necessary manual equipment for farming operations. Instructions on planting seeds and fertilizer were also provided.

The total cost, including the food necessary for the family's needs until the first crops were harvested, was included in a 100-percent loan payable over 30 to 40 years without interest, and secured only by the land. After a few years, the government of Hong Kong joined in the project and as of the date of my visit more than 750,000 families, comprising more than 300,000 people, had been settled on the land.

It is estimated that whereas 20 years ago 95 percent of the food requirement of Hong Kong was imported, that today with a population of 3.6 million, six times the original population, nearly 25 percent of the food requirement is home grown.

More significant is the fact that 75,000 families from Red China have become independent owners of their own parcel of land and the house built upon it.

I have learned from experience highlighted by my travels around the world and particularly my visits to Hong Kong and Israel that you cannot change the politics of a hungry man.

I insert in the RECORD at this point the text of an article which appeared in the May 1963 edition of the Reader's Digest, a condensed version of an article by Clarence W. Hall, which first appeared in the Christian Herald, entitled "The Remarkable Kadoorie Brothers of Hong Kong":

THE REMARKABLE KADOORIE BROTHERS OF HONG KONG

(By Clarence W. Hall)

In many parts of the world I've witnessed the shine of pride on the faces of people who have achieved security for themselves and their families, against great obstacles. But never have I seen such radiant faces as those in Cheung Sheung, a village I stumbled upon recently while roving Hong Kong's "New Territories"—that portion of the colony on the mainland which fronts the Chinese border. The villagers, all refugees from Red terror, buzzed about me, eager to show me their lush little farms, their pin-neat homes, their healthy broods of pigs, chickens and geese.

Suddenly over the hubbub I heard a shout, and the crowd left me to surge toward the road where an ancient motorcar was approaching. The car braked to a stop, two white men leaped out and were promptly engulfed by the crowd. One of the men smiling and businesslike, began asking questions. The other, stocky and merry-eyed, handed out little packets of raisins to the children.

It wasn't until I heard a familiar name amid the excited voices that I realized the newcomers' identity: Lawrence and Horace Kadoorie, sons of a multimillionaire Jewish philanthropist, who operate one of the most effective privately sponsored onslaughts on human need anywhere in the world.

In the past 12 years the Kadoorie Agricultural Aid Association has helped more than 300,000 poverty-stricken refugees and peasants, turning some 75,000 into independent farmers. Thanks largely to KAAA, the colony's farm production has more than tripled.

Between 1949 and 1951 hundreds of thousands of refugees from Red China, most of them destitute, poured into the city of Hong Kong and the rural New Territories. Government and private relief agencies did what they could. But when the tide swelled the colony's population to nearly three times its postwar level, the Kadoorie brothers knew from past experience that mere relief was not enough. To discover the dimensions of Hong Kong's vast mosaic of misery, they went among the mushrooming squatter settlements to see for themselves. They made two heartening discoveries: First, these refugees were no drifters; they had left their homes because of their convictions. Second, they asked for no charity, only work.

But what kind of work? The answer, since the majority were peasants, seemed to lie in agriculture. In 1951 the Kadoories formed the KAAA, designed to help the impoverished secure a living through farming. The fact that such a program would cost millions did not deter them. The brothers told government officials, "We'll finance it if you make unused Crown land available and give us the aid of your agriculture experts."

To show what could be done, the KAAA transplanted 14 refugee families to a rocky, arid hillside of 3½ acres, with a bombed-out structure that would serve as temporary shelter. Each family was given its own plot. "This land is nothing but stones!" some protested. "Fine!" Horace Kadoorie replied. "With these stones you can build pigsties while clearing the land. I'll supply cement, and for every pigsty you build I will give you two pigs."

The villagers soon were in the pork business. Ingeniously, they filled and terraced the rocky slope, constructed irrigation channels, built up soil fertility by adding loam and manure. In the first year they produced not only enough food for their own use but made a gross profit of HK$11,370 (a Hong Kong dollar is 17½ cents in U.S. currency).

At the village of Nim Shue Wan a number of families were settled on land reclaimed from the sea by a seawall. To get them started, the KAAA gave cement, wells, pumps, a sailing junk for transport, and a number of pigs. It also made available to them loans [1] of HK$16,300, interest-free for expansion. These loans have now been repaid, and the villagers number more than 100 prospering families.

In the beginning, KAAA's contribution was largely in the form of gifts. To make land and future markets accessible, a network of more than 150 miles of roads and paths, plus 142 bridges, was constructed with KAAA materials and village labor. Ferry service was essential for island villages; the Kadoories provided junks and constructed 27 piers. For water supply and irrigation in water-short Hong Kong, 293 dams, 400 wells, eight reservoirs and 30 miles of channels were built or repaired. Where sea or rivers would wash away fertile farmland, seawalls, culverts and floodgates were built. More than 1100 villages benefited.

One important achievement has been the Kadoorie experimental and extension farm, started six years ago in Pak Ngau Shek. Though both European and Chinese agriculturalists declared the steep, stony hillsides of this area valueless, the Kadoories procured 360 acres. Within months a small army of refugees turned these acres into what is perhaps the most impressive agricultural experiment station in the Far East. Here the Kadoories have scotched many old farmers' tales. For one, it had been accepted for generations that citrus fruit would not grow on these barren slopes. That theory was exploded when Horace found a tangerine tree flowering there. Today, Pak Ngau Shek grows thousands of citrus trees, has triggered a "village orchard plan" and supplied 80 villages with 25,000 trees.

Also from Pak Ngau Shek come many varieties of vegetables and fruit seldom seen before in Hong Kong. The Kadoories' fat and heavy-breasted Pekin ducks and new cross-breed chickens are the finest in the area. And their success in the breeding of pigs has been so great that Hong Kong's pig population has increased from 8,000 in 1945 to around 400,000 today, vastly easing the colony's dependence on pork imports from Red China.

The Kadoories choose their beneficiaries almost willy-nilly; any needy person can apply; none is turned away without being given a chance. Remarkably few fail.

A good example of success: four farmers and their families who made it across the border almost eight years ago. In jam-packed Hong Kong, they lived in tiny cardboard huts with no land and nobody to hire them. The Kadoories gave them deeds to adjoining plots of land, each with a small house and a few pigs and chickens, and two cows jointly owned. There were two strings attached: they were not to sell any property for a year, and they were to follow faithfully the advice of agriculture experts.

The four families thrived. In 3½ years, needing more land, they split their holdings to go their separate ways. Each family's share came to HK$35,000. Since then all have prospered.

It was the Kadoorie brothers' remarkable father, Sir Elly Kadoorie, who established the family fortune and philanthropy that has so benefited Hong Kong. Sir Elly was born in Baghdad, Iraq. At an early age he left home for India and China, became a British subject, and built a fortune in rubber, banking and real estate. Once poor himself, he held a firm belief that "wealth is a sacred trust to be administered for the good of society. He built schools and hospitals in Iraq, Iran, India, Syria, Turkey, France, Portugal and China. He was the first to provide educational facilities for girls in many parts of the Middle East. For such broad-scale philanthropy, he was knighted in 1926 by Britain's King George V.

When Lawrence and Horace Kadoorie took their places in the family firm of Sir Elly Kadoorie & Sons, they continued their father's benefactions. Today there are 36 major institutions spread over the globe that bear the Kadoorie name.

Horace, a 60-year-old bachelor who gives personal management to the KAAA, is usually up and away from home by dawn, his car a familiar sight on roads leading to refugee villages. This way he gets in a few extra hours mingling with KAAA-sponsored farmers, and finding new ones, before going to the office. Says Horace, "There's more fun in showing one man how to stand on his own feet than in creating a dozen successful businesses."

Lawrence Kadoorie, 63, is brisk and energetic, a dedicated believer in the free-enterprise system with the inherent responsibility it imposes. "Let the 'have' nations be-

[1] In 1939 the government joined the brothers in a mutually financed loan fund.

ware," he recently told a group of international diplomats. "Salvation for our free way of life lies not in handouts or charity, but in creating conditions under which those who need help can help themselves."

Last year the Kadoorie brothers received Southeast Asia's most coveted recognition—The Ramón Magsaysay Public Service Award. A noted Australian magazine publisher called their work "the greatest two-man stand against communism I have ever seen." The brothers merely smile and quote Edmund Burke: "The only thing necessary for the triumph of evil is that good men do nothing."

Mr. Speaker, the complete settlement of the problems in the Middle East will not be achieved without the assistance of the major powers. Cooperation between the United States and the U.S.S.R. is an essential ingredient to permanent peace in the Middle East. Through a vast and comprehensive resettlement program encouraged by the great powers we can make giant strides in guaranteeing the peaceful settlement of problems in that area of the world.

The setting up of demilitarized buffer zones, with the land put to use in a vast agricultural resettlement program for Arab refugees, will show the way for establishing dunams for democracy in the desert. On the seacoast areas, construction of desalinization plants could be planned, providing water for living and for irrigation. The fact that this envisions a vast, long-range, costly project should not be a reason not to start. Whatever the costs, it would take many years to start, to develop, to implement. In the final analysis the cost would be far less than the cost of a continuous arms race, and be much less than the cost of war, but without the death and destruction it brings with it.

Mr. Speaker, the bombs and guns have been silent for only a few hours and the world must not forget their destructive effect—the loss of lives and destruction of property. The world has a way of forgetting about its troubles when they are halted even for an instant. We must not fail to utilize the current concern for and interest in the Middle East in the quest for an equitable and just settlement. The search for permanent peace not only in the Middle East but throughout the world must continue to be our major objective.

Mr. Speaker, the opportunity to do a great service to the future prosperity and happiness of all mankind is upon us. As Albert Einstein said a long time ago:

Peace cannot be kept by force, it can only be achieved by understanding.

We must continue to exert our every effort to insure that such understanding can prevail.

VALEDICTORY ADDRESS

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. SISK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. SISK. Mr. Speaker, I have the honor to present, for the consideration of my colleagues, the valedictory address delivered by Christopher E. Cobey, of Merced, Calif., at the commencement exercises of the Capitol Page School on June 12, 1967. I commend to your attention the thoughtful comments of a fine young man, expressing the viewpoint of his generation:

VALEDICTORY ADDRESS DELIVERED BY CHRISTOPHER E. COBEY AT THE COMMENCEMENT EXERCISES OF THE CAPITOL PAGE SCHOOL, JUNE 12, 1967

Senator Percy, Dr. DeKeyser, honored guests, and friends: Ours is the fateful generation.

The spirit of the times, in which the members of the class of 1967 have been caught up, is exemplified in the words of Alfred, Lord Tennyson when he wrote, in "The Passing of Arthur": "The old order changeth, yielding place to the new." Ours is the new generation, and we are the ones who will write the most significant and decisive and exciting history the world has ever seen.

Our generation is different from the previous one. The differences are greater and more unmistakeable than between any other two. Young people are quoted as saying that they do not care about their country. This is a far cry from the solid support the citizens gave their fighting men in the Second World War. Today many people, and this is not limited to the youth of America, are confused about our foreign relations, and the confusion registers itself in widely-publicized protests. These protests, I believe, are a reflection of the new questioning mood of today. We are not content to take things at face value. We observe, we think, we evaluate, we ask why.

Our attitude is shown in the frank discussion today of topics once thought to be too controversial to talk about in public, subjects such as religion, drugs, morality, and sex. The public discussion of these matters does not necessarily mean that we are more immoral than the previous generation. It is, instead, the sound of today's youth examining values once held without question. We are told that certain actions are thought to be not correct, and like a person who sees a "Wet Paint" sign, we want to find out for ourselves. In this respect, we are not too different from past generations. However, we are more vocal in our opinions when we find that things are not the way they were said to be.

Ours is the first group of people to be brought up in the age of television. Most of us have been watching TV since we were old enough to be aware of it. Through television advertising, we were told at a tender age that we had dandruff, and halitosis, among other faults. When we learned from experience that the statements of television advertisers were not always correct, we became premature cynics. Television has, no doubt, influenced our lives to an extent not yet entirely known.

Ours is the age of the Beatles and the miniskirt. In addition, we will be remembered for the Monkey, the Frug, and the Swim. Although termed by our parents to be a manifestation of our rebellious attitude, some of them must have seen some benefit in these activities. We often see older people imitating the gyrations of the younger generation. Their actions prove to be a chiropractor's delight.

Our generation has been brought up under intense pressure, but we have weathered it. We grew up in the shadow of the Bomb. It is now an everyday thing to us, this weapon that can snuff out the lives of thousands of people at one blast. Pressure has come not only from the world's military posture. After Sputnik was launched, there was an increased emphasis on education as a result of our elders' re-examination of the curriculum by which we were educated. Consequently, not only was there great stress on mathematics and the sciences, but the humanities were also emphasized. Science, mathematics, physics courses and the methods of teaching them were revised. In the humanities, courses were introduced combining literature, philosophy, history, and other subject areas. As a result, more high school students now go on to institutions of higher learning. The competition to get into a good college, and later, a good graduate school, is very intense. Society expects us to work to our utmost capacity at all times to become the responsible, knowledgeable, well-trained specialists needed for tomorrow. This, it is believed, can best be done by attending college.

Living in such a "pressure cooker," however, has been for the good of America. We have endured the tensions of the teenager and the uncertainty of getting into college. We have learned to deal with frustrating situations. A new breed of Americans has been developed by this way of life, and this is fortunate. For this generation must cope with problems that did not exist twenty years ago. The next fifty years, our fifty years, will be the most decisive half-century in the history of the world. Why? Because man's progress is under constant acceleration. It was hundreds of years before man was able to utilize steam power, but less than one hundred and fifty years later, electricity became available. It was less than twenty-five years ago that the atomic bomb was first used, but now atomic power is already replacing electricity as our primary fuel. We learned in World War II how the atom can be used for purposes of destruction, and today we are finding many peaceful uses for the atom. Many countries will soon have the technical knowledge necessary to make them potential nuclear belligerents. What then? Will we let an increasingly tense world plunge into a war which would be an unheralded holocaust? This is another grave problem that must be solved. It is the task of our generation to ensure the atom's awesome power is used in a civil manner.

There are many other evidences of man's constant progress. When Magellan set out to circumnavigate the globe in 1519, his ships voyaged for three years. Now, Gemini astronauts can take the same trip in ninety minutes. In the 1850's, it took two weeks for news to spread from coast to coast. In the 1966 elections, however, computers told the nation of the results with startling accuracy even before the polls had closed. The latter example points up still another aspect of our society. We are in the era of instant communication. We can now learn of discoveries and the results of explorations as they occur. This information explosion, coupled with the present speed of communication, means that we have less time to make decisions, to ponder our actions. Our reactions must be more highly developed to meet this demanding pace.

So our chief legacy is the atom and its uses. We have others: air pollution and contaminated water. Decaying cities and disgruntled minorities. Doubts about God and second thoughts on morality. Examination of principles: what *is* right and what *is* wrong? And who is to say?

This is the future facing our generation. There are many difficult but exciting challenges ahead of us. Within five years an age-old dream will become reality when a human being first sets foot on the moon. Within twenty years, the chances are good that the United States and other countries will have established colonies on other planets. How will we handle these new-found possessions? Will their acquisition lead to trade and commercial wars as did the settling of the New World colonies? Will we finally have the sense to talk out our differences instead of re-

sorting to violence as we have always done before? Will we be the generation that makes all men brothers? Or will we be the last generation?

The members of this class will be among the ones to decide these questions. We have derived the profits from the efforts of our parents, as well as the problems. There are myriad opinions from among our ranks on how to accomplish our goals. This diversity of belief will be needed in the coming years. It will help us to see all sides of a situation, and to decide on the best course of action.

Our task will not be an easy one.

For ours is the fateful generation.

REMARKS BY FRANK L. MCNEILL, ASSISTANT DEMOCRATIC PAGE OVERSEER, SALUTATORIAN, CHARLESTON, W. VA.

Senator Percy, fellow students, parents, faculty, and distinguished guests, I bid you welcome. Welcome to the commencement exercises of Capital Page School, class of 1967.

There are sixteen of us. We have come from ten different states, both near and far. Almost all of us have served in Congress longer than the speaker here tonight, yet we smack of the callowness of youth contrasted to the sophistication of our environment. There is controversy surrounding our very presence here in Congress, and this may well be a penultimate ceremony.

Should a young man, still flaunting the immaturities of adolescence, be subjected to an ultra-adult society during the most impressionistic period of his life? We have been subjected to that culture, and have been enriched by it.

Make no mistake; no one has pampered your son. In an environment with little or no adult supervision, your son has done much that would displease you, but he has done much more that should delight you. It is difficult to try to maintain a mere semblance of a normal student-teacher relationship with such a limitation of time.

I speak not of high school trivia, for that is not wherein the uniqueness of our school lies; it resides in the atmosphere of Washington, hub of the universe, to which I bid you welcome.

POSTAL SERVICE

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. DANIELS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. DANIELS. Mr. Speaker, last week the gentleman from Illinois [Mr. DERWINSKI] inserted in the RECORD an editorial from the Chicago Tribune criticizing the postal service. He said he was inserting the editorial in the interest of "constructive discussion of the steady deterioration within the Department." The Post Office Department faces many difficult problems, as our outstanding Postmaster General has often acknowledged. But to say that postal service is bad and constantly getting worse simply does not square with the facts.

During the past Christmas season, our Post Office Department handled about 9 billion pieces of mail. In other words, in a period of about 1 month, the U.S. Post Office Department processed and delivered as much mail as the postal service of France handles in an entire year. This record torrent of mail was delivered by our postal service without any major delays or breakdowns. If that is an example of deterioration of service, then I am sure many organizations would welcome such decay.

Few firms in the United States would have a better firsthand opinion about the quality of the postal service than the Reader's Digest. Reader's Digest, Inc., spends more than $19 million a year on postage. It mails out some 17 million copies of the Reader's Digest every month and it makes extensive use of every class of mail from first to fourth. Digest spokesmen testified last week before the Postal Rates Subcommittee, on which I serve, and they had some illuminating comments on the quality of postal service. They called the contention that mail service is geting worse a "myth." Let me quote from the Digest's testimony:

Mail service is like the weather. People are always talking about it. On rainy days we hear many complaints and on sunny days we hear scant praise. I guess every one of us in this room has experienced irritating cases of mail delay, and these are the cases we remember. These cases might have happened to us last week, or ten years ago, or they might have happened to our grandparents eighty years ago. We rarely remember that the vast majority of mail *does* get delivered in just about the same time as it did in years past.

Because Reader's Digest's livelihood depends so heavily on mail, we are vitally interested in mail service. We need to know mail transit time not only to predict deliveries to our customers, but also to determine how many people we'll need in both our incoming and outgoing mail departments—in each of which we spend over $1 million annually. For years we have kept factual records of mail transit time, by class of mail, by state, at regular intervals.

A careful study of these records, gentlemen, *shows no substantial change* in mail service in recent years. These records indicate what kind of variation our inbound and outbound mail has received, and what we can reasonably expect it to receive. We are satisfied with today's mail service.

Some interesting things come to light upon examination of certain of our mail service records. One observation is that mail service, if anything, may be getting ever so slightly better.

Mr. Speaker, when the Reader's Digest talks about mail delivery it does so with extensive knowledge of the facts. It does not speak in glittering generalities. I think my colleagues will agree that the testimony I have just quoted is impressive evidence that the postal service is not in a state of collapse, as some who might just have a political ax to grind would have us believe.

The editorial that the gentleman from Illinois inserted in the RECORD called for the post office to be turned over to private industry. Among other things, the editorial suggested this would solve the problem of the postal monopoly now exercised by the Government. This is a rather intriguing argument, since every serious suggestion I have seen about turning the postal service over to private industry has envisioned a setup similar to the American Telephone & Telegraph Co.—and I was always under the impression that A.T. & T. rated pretty high up in the monopoly league itself.

There are many compelling reasons why the postal service should not be turned over to private industry. I have served on the Post Office and Civil Service Committee long enough to know that any private postal corporation, no matter how efficient, would have to do one of two things to show a profit. It would have to sharply curtail service or impose a tremendous increase in rates. In either occurrence, many of the very people who are now so smugly advocating a private postal system would be storming this Hill to complain about the high-handed manner in which their postal service had been curtailed or their postal rates raised by 100 percent or more.

The Washington Evening Star had a very entertaining article recently about what it might be like to have a private postal company. It was written by David Braaten. Mr. Braaten meant his article to be funny, and it was. But like most effective humor, it has a strong element of truth. Mr. Braaten predicted that if you called the private postal corporation to arrange for mail delivery the conversation would go something like this:

"I'd like to arrange for mail delivery at 2108 Rowhouse Vista Drive," you tell the girl at the post office.

"Very good, sir. Single family?"

"Yes."

"Do you wish a mailbox at the back door as well as the front? It will save steps."

"No thanks. One will be plenty."

"Very well. How about a 'blizzard blue' or 'sleet grey' colored mailbox?"

"Oh, never mind that. I was just going to pick one up at the hardware store."

"I'm sorry, sir, only official Bell Mail Co. equipment is permitted. Now then, we can give you a choice of 26 colors, only $15. Or there is the new Princess model in long-lasting polymorphous plastic, It's completely washable and lights up when the mail is delivered. Only $25."

"Gee, don't you have something a little, well, cheaper?"

"Hmm. Very well, sir. It's your home. We can let you have our plain galvanized model for $10."

"That'll do fine."

Mr. Speaker, much needs to be done to give our great Nation the modern mail delivery system it deserves. The system we have today will not meet the needs of tomorrow. Mail volume is fast approaching the 100-billion mark.

Certainly the answer to our steadily rising volume of mail cannot be found in turning over the postal service to a private firm, or to 20 or 30 private firms. Nor is the answer to be found in totally unsubstantiated allegations that mail service is rapidly deteriorating.

The prime need is for modern mail handling facilities and equipment. This will require the expenditure of considerable sums of money for capital improvements. And since my distinguished colleague from Illinois is so concerned about the postal service I am sure he will support Postmaster General O'Brien's forward-looking modernization program.

NORTHROP CORP.—AN EXAMPLE OF AMERICAN FREE ENTERPRISE SYSTEM AND ITS OUTSTANDING CONTRIBUTION TO PARIS AIR-SHOW

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. CHARLES H. WILSON] may extend his remarks at this

point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. CHARLES H. WILSON. Mr. Speaker, Northrop Corp., long identified as a manufacturer of military aircraft but now increasingly expanding its operations in parallel with today's growth in air transportation and communications, was one of the major U.S. companies displaying its capabilities and programs at the 1967 Paris Airshow.

The Northrop exhibit at the biennial international aerospace event portrayed in graphic form a wide spectrum of activities. Featured were illustrated descriptions of the parachute landing systems developed and produced by Northrop which returned to earth all Mercury and Gemini astronauts, and which will be used in the Apollo lunar program.

The exhibit also depicted two experimental wingless lifting bodies, the M2–F2 and HL–10, which Northrop manufactured for NASA; the navigation system being developed for the giant Lockheed C–5A logistics transports; and the 153-foot-long passenger compartments, along with wing components, being built for the huge Boeing 747 airliners.

The T–38 Talon supersonic trainer used by the U.S. Air Force and NASA; advanced space suit research and development, and worldwide communications activities of Northrop's Page Communications Engineers, Inc., subsidiary, were also Northrop display highlights.

In addition Northrop-built F–5 Freedom Fighters, bearing the insignia of the U.S. Air Force, were displayed on the ground and in the air. In the flight demonstrations conducted at the airshow, the flights of the Freedom Fighter repeatedly impressed the huge crowd of spectators with its speed and maneuverability. Freedom Fighters are now in worldwide service with the defense forces of U.S. allies.

The flights of the Freedom Fighter were a point of particular pride for me since this supersonic fighter is built in my home district at Northrop's aircraft assembly plant at Hawthorne, Calif.

The history of Northrop is a moving one of the free enterprise system combined with advanced technology in America to contribute to continuing national strength and vigor.

Northrop was founded in 1939 with an original 50 employees. Today it has more than 22,500 employees assigned to locations from coast to coast and at stations around the world.

In addition to its plants in California, Northrop has principal locations in Texas, Illinois, Alabama, North Carolina, Massachusetts, and Washington, D.C.

Northrop is a diversified, advanced technology company with major product areas in aerospace, communications, electronics and advanced weaponry.

Its role in the designing and manufacture of fighter aircraft for the international market is a dynamic one. The company is continuing to design increasingly advanced versions of the F–5 and has on its drawing boards new advanced fighter aircraft intended to meet international requirements which at the proper time pick up where the F–5 leaves off. In addition, Northrop is engaged in a wide range of research projects that will bring aeronautical and space advances. These include work in laminar flow control, VTOL, hypersonic flight, low altitude penetration, and new parawing recovery systems for space craft.

In addition to its role as the producer of virtually the entire passenger compartment of the 747 airliners, Northrop has been selected by Boeing to produce a large section of the fuselage for the SST aircraft.

Northrop's communications work is done predominantly by the company's two subsidiaries, Page Communications Engineers of Washington, D.C., and the Hallicrafters Co., of Chicago, Ill. Besides installing long-range communications systems around the world, Page has developed a new type of satellite earth receiving station that is priced within the means of most nations of the world. These stations are expected to provide tremendous impetus to worldwide communication and understanding.

Northrop's work in electronics covers a broad range of products and systems, including automatic test systems for Polaris and Poseidon missiles, the navigation system for the Lockheed C–5A military logistics airplanes, airborne computers, and a great deal of work in optics and electro-optics.

The fourth major product area, advanced weaponry, includes such projects as production of Hawk missile launchers and loaders, and development of new types of rocket propulsion systems and air-launched flares.

Mr. Speaker, Northrop's exhibit at the Paris Airshow accurately reflected the outstanding contributions it has made, and continues to make, to both our national defense and the annals of aviation history. I know that Americans in general and the people of Hawthorne, Calif., in particular are very proud of Northrop Corp. for these contributions.

RESOLUTIONS ON MIDDLE EAST

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. FRIEDEL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. FRIEDEL. Mr. Speaker, today, I transmitted to the President 107 resolutions signed by 21 Maryland State senators and 86 members of the house of delegates concerning the Middle East situation. These resolutions read as follows:

RESOLUTION

Once again, the Soviet Union appears to be testing American resolve to defend the peace.

The United States Government, speaking through Presidents Truman, Eisenhower, Kennedy and Johnson and through the Congress of the United States, has repeatedly declared its determination to act against aggression in the Middle East. And, we note with appreciation, the declaration of a White House spokesman that "This country is, of course, committed to the principle of maintaining peace in the Middle East. This has been our position over the years. It is still our position."

Consistent with that declaration, we pledge the fullest support to measures which must be taken by the Administration to make our position unmistakably clear to those who are now bent on the destruction of Israel, that we are now prepared to take whatever action may be necessary to resist aggression against Israel and to preserve the peace.

We are confident that the people of the United States will support such a policy, protecting the only Democracy in the Middle East.

I fully support the above statement.

I commended the President for the prompt action he took in stating the U.S. position on this crisis as well as for his efforts in working through the United Nations and other diplomatic channels to end the hostilities in the Middle East. Developments over the weekend indicate that these efforts have been successful in bringing about a cease-fire. However, I urged the President to make it quite clear to all parties within the area that Israel must retain territorial gains which will permit her to defend her borders and insure free passage of her ships through the Gulf of Aqaba and the Strait of Tiran.

In addition, I pointed out to the President that every effort must be made to reconcile the Arabs with their Israel neighbors. Because of the Arab nations' combined superior strength and military hardware, Israel is still at the mercy of its Arab neighbors. Looking into the future, the time is likely to come when Soviet influence will neutralize Western influence in the Middle East. At such a time, the survival of Israel will have to rest on mutual understanding and cooperation between the Arab nations and Israel. I urged the President to take the initiative in effecting this reconciliation in an effort to build a meaningful and lasting peace in this area.

CONGRESSMAN MINISH AWARDED HONORARY DEGREE OF DOCTOR OF LAWS FROM SETON HALL UNIVERSITY

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. PATTEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. PATTEN. Mr. Speaker, it was indeed a pleasure for me to learn that my distinguished colleague and friend, the gentleman from New Jersey, Congressman JOSEPH MINISH, was awarded an honorary degree of doctor of laws from Seton Hall University of South Orange, N.J., at the commencement exercises on June 3, 1967.

As indicative of the fine representation which Representative MINISH has provided for his 11th Congressional District, the president of Seton Hall University, auxiliary bishop of Newark, said that the university selected the Con-

gressman in recognition of his dedication to the constituents of the 11th district and his humanitarian concern for all people.

The text of the presentation of Representative MINISH—inserted hereafter—indicates the obstacles which had to be overcome during his early life. His determination through the years has earned him this honorary degree and has also provided him with the opportunity to serve as a Member of this distinguished legislative body—the Congress of the United States. He is truly the people's representative. In addition, his background is a credit to the operation of our Government and political system that anyone can serve in higher office without regard to race, color, creed, or financial background. He has written his own chapter of "Profiles in Courage."

The text of the presentation of Representative MINISH for his doctor of laws degree by Dr. John B. Duff, assistant professor of history and political science *follows:*

The Honorable Joseph G. Minish is presented for the degree of Doctor of Laws Honoris Causa.

If anyone believes that the theme of the Horatio Alger success story has no relevance for the twentieth century, the career of the distinguished representative from New Jersey's Eleventh Congressional District should disabuse him of his skepticism.

Born in Throop, Pennsylvania, in 1916, the son of a coal miner, his father's early death thrust upon him the burden of leadership at the age of eleven as he supplemented the family income by working in the mines after school. After service [in the Army] in the second world war, he entered the labor movement in the critical years after 1945. His struggle against subversive elements, his championship of democratic procedures, and his demonstration of leadership soon led to his election as executive secretary of the Essex-West Hudson Labor Council.

Elected to the 88th Congress in 1962, he was re-elected in 1964 and in 1966. Although still a junior Congressman, he has already made his mark in the House. As chairman of a special House subcommittee on sharp financial practices against United States servicemen, he dealt what, it is to be hoped, will prove a mortal blow against loan sharks preying on American servicemen. For this achievement, he received the 12th Annual Citizenship Award from B'nai B'rith and the Distinguished Service Award from the Catholic War Veterans and the Jewish War Veterans.

A man totally dedicated to the service of his fellowman, an outstanding public servant, he has been described by speaker of the House John W. McCormick as "an incalculable asset." I am proud and privileged to present Joseph G. Minish for the honorary degree of Doctor of Laws with all the rights and privileges appertaining thereto.

RESPECT FOR THE FLAG CANNOT BE LEGISLATED

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. BROWN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. BROWN of California. Mr. Speaker, the House this week will be called upon to vote on the bill H.R. 10480 to prohibit desecration of the flag. From all the information available to me, I believe that the House will pass this bill. Yet as one who loves his country and respects its flag, I must set forth my views as to why the passage of this bill will not engender greater love of country or respect for the flag as the symbol of that country.

I would wish that love of our country and respect for its flag could be legislated. Or even that hatred of our country and disrespect for its flag could be prohibited by law. Our jobs as Members of this great legislative body would be made much easier. We know, with hardly a second thought, that this is not possible, just as well as we know that we cannot pass a law requiring that a man love his wife, respect his parents, or worship God. To seek with great fanfare to penalize a few of the superficial expressions of disrespect is a futile task. Only a little thought is required to conclude that we would not wish to legislate love of country and respect for its flag if we could. Love and respect that is not freely given is without meaning—a travesty on the words.

We have before us, then, a bill to punish those who show by certain acts that they do not respect the flag. The majority of this House, and the majority of the citizens of this great country, will undoubtedly support this legislation. Some will even say that not to support it shows lack of love of country, lack of patriotism, lack of respect for the flag. Such has indeed been the case in every period of history. Every Roman Emperor felt that respect for his high office could be compelled by the Roman law. The Catholic Church once felt that love of God could be compelled by the tortures of the Inquisition. As the committee hearings point out, the U.S.S.R. believes that respect for the Soviet flag can be compelled, and have provided a penalty of 2 years in jail for desecration of the Soviet flag. This should make a Soviet citizen twice as respectful of his flag as the American citizen will be of his—since this bill provides only a 1-year jail sentence for the American citizen.

Many of us in this Chamber are the descendants of English citizens who came to this country because their love of God would not allow them to bow down to, or bare their heads before, an English King. The English law required this, as a simple measure of respect to the sovereign—the symbol of the British Empire. The vast majority of the English people saw no harm in requiring by law this mark of respect for the King, the symbol of the nation. They undoubtedly felt, with proper patriotic fervor, that to penalize a lack of respect for the King would discourage disrespect and create a more loyal citizenry. The small minority of dissenters who disagreed with this view were among the founders of this country. They were also among the architects of our Constitution. They sought to obtain in this country that freedom denied in England, and in almost all the world, to think as one pleased, to speak as one pleased, and to worship as one pleased—without compulsion or restraint.

These men knew the simple truth that for men to be free they must resist all compulsion to stifle ideas, to compel conformity of thought. Freedom to think as one pleases is the basic value which the first amendment to the Constitution seeks to protect. This is the highest function of men, the one from which derives all other attributes of freedom. I stress this point because of only one reason. The entire controversy over the flag and its desecration stems from its use as a symbol, as shorthand for an idea, as a form of speech.

Today our citizens are engaged in a great controversy over the role of this country in the world and, specifically, over the question of our involvement in Vietnam. Those who support that policy very frequently do so on the grounds that our flag is committed to the conflict and must not be dishonored. This is a shorthand way of saying that, rightly or wrongly, our troops are there, our honor as a great nation is committed, and to protect that honor and those commitments we cannot now withdraw. One who carries this type of argument to extremes is said to wrap himself in the flag.

Those citizens who feel that our military involvement in Vietnam on the present scale is a mistake, that it was accomplished by an unwise extension of Executive power, that it violated commitments made to the electorate against involving this country in a land war in Asia, that it has abrogated the constitutional powers of the Congress to declare war, may also feel that these actions desecrate the flag of our country—make it meaningless as a symbol of a free people served by a government of limited power under the restrictions of a Constitution unmatched in human history. They may wish to make this assertion by a symbolic action, which the bill we will consider would make illegal and severely punish.

It has always been true that those who destroy freedom do so in the name of protecting order and, that custodian of order, the state. Those who temporarily control the state and, more particularly, its military power, always have the advantage in manipulating the symbols of the state and using these symbols to conceal their actions under the banner of patriotism, love of country and similar slogans. Hence the phenomena so prevalent today of constitutional governments being overthrown by military juntas. Even simpler is the process of directing foreign policy by involving the flag, in the form of a military unit, a naval vessel, or an Air Force plane. Our whole course in Vietnam has been manipulated by flag symbolism. Our boys—with our flag—are involved; we cannot let them down. Our ships—with our flag—are being attacked; we must protect them. We cannot ask if, perhaps, our boys or our ships may not be in the wrong place, carrying out wrong policies, because they carry our flag. We even become indignant that our airplanes—with our flag—are shot down while bombing the citizens of a foreign country against which we have not declared war. One would think, from our indignation, that it is wrong for these people to defend themselves against our bombs by shooting at our planes.

The inherent impossibility of legislating love of country or acceptance of the temporary policies of that country by penalizing disrespect for the symbol of that country is multiplied by the language of this bill. Not only does it seek to penalize actions relating to a symbol—the flag—but also actions with respect to a symbol of the symbol. I quote from the bill on page 2, line 3:

> The term "flag of the United States" . . . shall include . . . any picture or representation . . . of any part or parts of either, made of any substance or represented on any substance, of any size . . . upon which shall be shown the colors, the stars and the stripes, in any number of either thereof, or of any part or parts of either, by which the average person seeing the same without deliberation may believe the same to represent the flag, standards, colors or ensign of the United States of America.

Under this language it seems quite possible that a dissident citizen hurling a red, white and blue egg at a picture of the President may be convicted under this proposed statute. I can quite easily conceive that the imaginative young people of this country, who oppose the Vietnam war, will evolve literally hundreds of ways of testing this statute and, since it will now be a Federal responsibility to enforce this law, the sheer magnitude of coping with this outbreak of crime may require the creation of a new type of Federal police force.

Needless to say, this potential mockery of the law will contribute not one iota to love of country, respect for the flag, acceptance of the war in Vietnam, or any worthwhile goal. It will only exacerbate the tensions in our society, make a sport of violating the law, and heighten the blood pressure of the righteously indignant.

Mr. Speaker, in the name of patriotism, of freedom, of love for flag and country, let us not set forth on this path.

In conclusion, Mr. Speaker, may I say one thing more. One hundred and seventy years ago this Congress under the pressures of the time enacted legislation aimed, as is this bill, at creating love of country. It sought to do this by punishing any person who tried to defame the President or the Congress by the written or spoken word. This was the Sedition Act of 1798. We have made great progress since that time. Our elected officials, including myself, are now so accustomed to being publicly defamed that we accept it as part of the price of office in a democracy. Only in countries such as Communist China do we find it a crime to defame a public figure. Many of you probably saw the story last week of the Irish ship's officer in a Chinese port who suffered considerable difficulty for defaming Mao Tse-tung by doodling a mustache on his picture. The picture of Mao Tse-tung has become a symbol to Chinese Communists of their new society.

I would hope that this bill, which would punish the defamation of a symbol, and even of a symbol of a symbol, is not leading us toward the day that we shall all be forced to pay homage to a man as symbol of our country. We must, instead, freely give our allegiance to the great principles embodied in our Constitution which set individual liberty as the touchstone of human progress. I do not wish to see the day that a citizen of this country is not free to doodle a mustache on my picture or that of L. B. J.

URGENT NEED FOR LEGISLATION TO PROTECT URANIUM MINERS UNDER WORKMEN'S COMPENSATION LAWS

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. BURTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. BURTON of California. Mr. Speaker, all of us, I am sure, were distressed to learn recently that 6,000 uranium miners are today suffering from lung cancer and leukemia as a result of their breathing uranium dust. Since these tragic illnesses did not become known until many years after exposure, workmen's compensation laws, as now written, fail to protect these miners and their families.

This is an urgent reason for Federal legislation in this field. In other ways, too, Mr. Speaker, workmen's compensation laws need to be brought up to date. This was the subject recently when Lawrence Smedley, assistant director of the AFL–CIO Department of Social Security, was interviewed on the air. Since we should all be aware of this problem, Mr. Speaker, I ask that the script of this radio interview, an AFL–CIO public service program, carried on the Mutual Broadcasting System, appear in the RECORD at this point.

I also ask that there be appended the text of a letter on the subject of uranium poisoning, sent to Secretary of Labor W. Willard Wirtz by Andrew J. Biemiller, director of the AFL–CIO Department of Legislation.

INDUSTRIAL INJURIES AND WAGE PROTECTION

(Labor News Conference, Mutual Broadcasting System; guest, Lawrence Smedley, assistant director of the AFL–CIO's department of social security; panel, Alex Uhl, editor of Press Associates, Inc., Al Goldsmith, editor of the Washington Insurance Newsletter; moderator, Harry W. Flannery)

FLANNERY: Labor News Conference. Welcome to another edition of Labor News Conference, a public affairs program brought to you by the AFL–CIO. Labor News Conference brings together leading AFL–CIO representatives and ranking members of the press. Today's guest is Lawrence Smedley, assistant director of the AFL–CIO's Department of Social Security.

Workmen's compensation—the insurance that most workers have to guard against the loss of wages in the event of death or disability resulting from a job-related injury—is an important protection for workers and their families.

Although the first workmen's compensation laws were enacted more than 50 years ago and exist now in some form in every state, each of them is plagued by serious shortcomings. Overhauling workmen's compensation to meet the needs the insurance is designed to meet has been a major goal of the AFL–CIO for many years. Here to question Mr. Smedley about what updating is needed and how it can best be accomplished are Alex Uhl, editor of Press Associates, Incorporated, and Al Goldsmith, editor of the Washington Insurance Newsletter. Your moderator, Harry W. Flannery.

And now, Mr. Uhl, I believe you have the first question?

UHL: Mr. Smedley, Mr. Flannery has pointed out that it has been half a century since these laws first came into existence and that there are problems that have developed over the years which apparently have not been resolved. Could you tell us about some of these problems that the AFL–CIO is trying to tackle?

SMEDLEY: Yes, Mr. Uhl. There are many things which we feel are wrong with workmen's compensation laws. I will list a few of them.

First, I think the one that stands out is the inadequacy of cash benefits, which have not kept up over the years.

Other problems, are for example, that 23 out of 50 states have failed to enact compulsory coverage.

Twenty-five states permit numerical exemptions—in other words, they don't cover small employers.

Twenty states have failed to extend coverage of the laws to all occupational diseases.

Twenty-two states do not provide unlimited medical benefits—in other words, in many states, a worker can still pay for the cost of his industrial injury himself.

Twenty-nine states still do not grant the administrative agency the authority to supervise medical care, to assure that the worker gets proper and adequate medical care.

Thirty-two states make no provision for maintenance benefits if the worker wants to undertake rehabilitation.

These are just a few of the shortcomings, Mr. Uhl. May I point out that the standards that the AFL–CIO has urged have been recommended by the United States Department of Labor, the International Association of Industrial Accident Boards Commission which is the association of state workmen's compensation administrators, by practically all academic people and experts who work in this field.

So our standards are not way-out standards. They are generally accepted standards. But in spite of this fact, workmen's compensation laws still have not achieved the kind of adequacy they should have.

UHL: There is just one question in connection with that, Mr. Smedley—out of 65 million American workers, do we have any idea of how many are not covered?

SMEDLEY: There are no accurate statistics in workmen's compensation, because it is entirely a state program. There is no real central source of statistics.

We do have estimates. Our best estimates are that about four-fifths of the wage and salary workers, or about 50 million wage and salary workers, are covered by workmen's compensation.

FLANNERY: Mr. Smedley, since this is a state matter, is the AFL–CIO seeking to go after this state by state, to correct the inequities in the particular states?

SMEDLEY: The AFL–CIO has advocated a federal workmen's compensation law and in lieu of that federal minimum standards.

I would like to point out that the efforts by the state AFL–CIO state bodies have been as vigorous and as ably advanced as any in recent years. But the basic deficiencies of workmen's compensation laws remain, and the prospects do not indicate that a central reform will take place. We feel that federal workmen's compensation legislation is imperative if injured workers and their families are to receive protection commensurate, at least with the standards of a great society.

FLANNERY: Mr. Goldsmith.

GOLDSMITH: As the first step in this program of enacting federal workmen's compen-

sation laws, the AFL–CIO has long advocated the enactment of minimum standards for compensating injuries arising out of ionizing radiation. Can you tell us, Mr. Smedley, to what extent progress is being made along these lines—on both the state and federal levels?

SMEDLEY: As you know, last year, we had a bill which passed both Houses of Congress providing for unemployment compensation standards. Now, that bill failed in conference committee. Had the unemployment minimum standards bill passed, I think you would have seen a much greater priority in behalf of organized labor for federal minimum standards. So obviously until the unemployment compensation standards are achieved, I don't think you will see a priority for federal minimum standards in workmen's compensation that you would have seen otherwise.

But I do think that there is the likelihood of some kind of federal legislation—less major perhaps—but in the special areas of radiation injury and so forth—or perhaps a grant-in-aid program to improve state workmen's compensation laws. I think that in the interim, you will see less major federal workmen's compensation, but some kind of legislation along these lines.

UHL: Well, Mr. Smedley, I was startled the other day to hear figures cited on the number of uranium miners who apparently are suffering from lung cancer, presumably as a result of working in the uranium mines. What is happening to these people? I heard the figure of 6,000 miners as involved.

SMEDLEY: What has happened here, Mr. Uhl, is that in the West—in the uranium mines—these individuals worked in mines and they breathed uranium dust, which is radioactive.

As you know, radioactive exposure can cause latent disease. It might not show up for 15 or 20 years. It can cause cancer—leukemia is a very common result.

So what has happened with these individuals is that now, 15 and 20 years later, they are developing cancer and leukemia in very large numbers. It is obvious that these individuals have received these diseases as the result of their occupations.

One of the tragedies is that at the time they worked in the mines and left the mines, there were time limits in the workmen's compensation law. They had to file a claim within a period of so many years. And many of them are precluded from filing for workmen's compensation for their cancer or leukemia, in spite of the fact that everyone is certain that it resulted from their occupation.

May I point out that the AFL–CIO, as early as 1959, advocated federal legislation with regard to radiation injury. We predicted at that time that this kind of tragedy would likely occur unless federal legislation were adopted. We are still advocating federal legislation in the area of radiation. We hope that Congress, as a result of this sad situation, will pass such legislation.

FLANNERY: Mr. Smedley, I want to get back to a fundamental question. What is the theory behind workmen's compensation? Why shouldn't a worker pay for an industrial injury himself? He's got a job. He's accepted this job, and it seems perhaps that the worker himself should pay for the injury sustained as the result of his employment.

SMEDLEY: Well, in the first place, workmen's compensation differs from the typical social insurance, Mr. Flannery, in that the worker always had the common law right to sue his employer in the event of an industrial injury.

Secondly, the employer does not pay for workmen's compensation. It is primarily paid for by the public, since the employer passes on the cost of this, generally, to the public.

But in any event, the worker has given up his right to sue in order to receive workmen's compensation protection. And in return for that we hoped that he would have a prompt benefit, adequate medical care and that society would be able to resolve the problems that would develop if we didn't have this kind of program to take care of our industrially injured.

It has not worked out as well as we had hoped when the laws were first passed. But I think that we can still improve state legislation, and with federal legislation, we can improve the program to operate as it was originally intended.

FLANNERY: Mr. Goldsmith.

GOLDSMITH: Mr. Smedley, returning to the problem of better detection of injuries caused by ionizing radiation, some years ago the Atomic Energy Commission and the Labor Department started work on a joint program to lead to a national record-keeping system. Legislation was sent to the Hill last year and it was side-tracked, primarily because of objections that this was a wedge to produce a federal workmen's compensation system. How do you assess the prospects for such a national record-keeping system?

SMEDLEY: Yes, I'm familiar with the legislation that you are talking about. Unfortunately, it was not passed. But I think the prospects are a little better at the present time, primarily as a result of the uranium miners and the situation that has developed there. I think that as a result, you will again see legislation—similar legislation—along this line introduced in the Congress.

UHL: Mr. Smedley, this matter of federal legislation raises the question of who provides the insurance to protect these workers who are injured on the job. Is it done by the state itself—is it done privately—or is it a combination of both? How do you feel it should be run?

SMEDLEY: Well, workmen's compensation is one of the few social insurances that uses, primarily, private insurance. There is a state law requiring that the employer purchase an insurance policy for workmen's compensation protection. There are about seven states that have exclusive state funds that preclude any kind of private insurance and about 19 all told, including the exclusive state fund states, that have some sort of a state fund competing with private insurance.

Workmen's compensation costs about $2,700,000, annually. Of that $2,700,000, only about $1,700,000 reaches the injured workers in benefits, so that only about 63% of the premium dollar reaches the workers in benefits. This is a very high retention level—a very, very high expense ration.

For this reason, the AFL–CIO has advocated exclusive state funds. We feel that workmen's compensation is basically a tax on the employer, fixed by public law, and that the administration of that act should not be delegated to private groups.

With the state funds—exclusive state funds—about 94% of premium reaches the injured worker. The difference there could be used very substantially to improve workmen's compensation laws, because the total program—on an average, you understand, they use experience ratings that vary from employer to employer—but as a total program, it costs just about 1% of payroll. So the difference between private insurance and public financing would permit a considerable upgrading of the laws.

GOLDSMITH: In connection with the various state legislatures and their steps toward improving workmen's compensation laws, both employer organizations and the insurance carriers, along with state and local government organizations, consistently maintain that they are working toward the improvement of these laws. Now don't you think it would be possible for greater cooperation between these groups and organized labor to come into being—to tackle the uniformity of laws, as well as the new problems that are arising?

SMEDLEY: Well, Mr. Goldsmith, we are striving with these groups. We would be very happy to cooperate with these groups—we try to on the state level in seeking to improve state laws.

I'd like to remind you that these people have had 50 years to use the state legislative approach to improve these laws and they have not been successful. I would also remind you that we know of no area that the federal government has entered where the states have done an adequate job.

Now, if the states will improve their workmen's compensation laws—raise them to a level of adequacy—I don't think they will have to fear federal legislation. But they haven't done this. Until they do, I think they are going to have to expect federal legislation in this field.

UHL: Mr. Smedley, one group of workers in this country that seems to be pretty well neglected is the farm worker. I notice that AFL–CIO president George Meany last week told Congress that farm workers ought to be included under the National Labor Relations law so they can have unions and fight for better wages and living conditions. Now are farm workers included under workmen's compensation? Should they be?

SMEDLEY: Agricultural workers are excluded from many social insurance programs, of which workmen's compensation is only one. They are probably the least adequately covered of any workers in the workmen's compensation program and ironically, Mr. Uhl, agricultural work is one of the most hazardous of all occupations. It has a very, very high accident rate, so there is a great need to cover the agricultural worker. The rationale in the past for not covering them has been that it is administratively difficult to administer workmen's compensation programs that cover agricultural workers.

But we know now, in regard to the Social Security program—they have covered agricultural workers almost entirely now—that the administrative difficulties have not been that bad, really.

GOLDSMITH: With regard to the Social Security laws, Mr. Smedley, how do you feel about the current provision requiring an offset between workmen's compensation benefits and Social Security disability benefits? Are you for repeal of that recently-enacted provision?

FLANNERY: I think you might take up first, Mr. Smedley, what is meant by an offset?

SMEDLEY: Yes. Mr. Goldsmith, as you know, it is possible for a person who is permanently and totally disabled to receive benefits from the Social Security disability program. Now if he were occupationally injured and his permanent and total disability resulted from his occupation, he could receive both workmen's compensation and his Social Security disability benefits.

This has greatly alarmed the insurance industry particularly and some employers, who wish to offset Social Security benefits by the amount of workmen's compensation benefits received. We have opposed this and will continue to oppose it, for a number of reasons.

The Social Security amendment of 1965 include a provision that when combined benefits exceed 80%, there will be reduction of Social Security benefits. Now, what they actually advocated and tried to get through was a dollar-for-dollar reduction.

We think this is unfair first because in many states the workmen's compensation benefit is very, very inadequate. It replaces a very, very small percentage of wages, and to reduce a Social Security benefit when a workmen's compensation benefit is inadequate, is unfair to the worker.

Two, it should not be done on the Social Security side, because the worker has paid all his life into the Social Security program. When he has paid into that program, to reduce his benefit—and in many cases he won't receive any Social Security benefit, in spite of the fact he has paid all his life

into the program—seems to us very, very unfair.

Third, the Social Security program is a universal program, Mr. Goldsmith. It would be impossible for this program to make special provisions for little programs—much smaller programs that exist in states or privately. It is up to those plans to adjust themselves where problems develop.

There are 50 states. There are 50 complex workmen's compensation laws, varying in all degrees of benefits and other provisions. So obviously, it seems to us that where coordination is needed, or some sort of offset—in most cases it wouldn't be, but if it should be needed—the state is the best judge of how to implement it, because a provision in the federal law cannot make adequate provision for the complexities of state laws.

UHL: Does this same question arise in the case of prepaid health and hospital insurance—Blue Cross and Blue Shield?

SMEDLEY: No, this does not arise.

FLANNERY: Mr. Smedley, as I understand it, one of the things that the AFL–CIO is particularly concerned about in connection with workmen's compensation is the fact that heart disease is usually not covered, and that this affects not only those who are covered by workmen's compensation, but also the handicapped worker.

SMEDLEY: Yes, Mr. Flannery, this has become an ever greater issue in the last year or so.

In workmen's compensation, it has long been a legal doctrine that an employer takes a worker as he finds him and is responsible for the aggravation of any underlying pathological condition. In other words, the worker's injury or disease does not have to be caused by his occupation. It is necessary only that his occupation aggravates it. And there would be a few people indeed, experts and otherwise, who would concede that the stress and strain of an occupation cannot aggravate a heart condition. As a result, the legal interpretations by the courts have liberalized the compensability of heart disease.

Now, the general rule in the past in many states has been that it must be shown that the heart attack was caused or contributed to by unusual employment effort or strain. In other words, something unusual in the occupation.

Now in many states, the courts have ruled that there need be no requirement that the work effort be excessive, in the sense of being unusual or not ordinarily employed. It is enough that a usual strain associated with the work in itself, which was too much at that time, because of the condition of the heart—or that such routine effort, in combination with the diseased condition of the heart, produced collapse.

So a result of this legal liberalization by the courts, the insurance companies in many states have been trying to change the definition of injury by accident to preclude heart disease. There has been considerable legislative activity and so forth in the states on it.

FLANNERY: This also affects the employment of the handicapped worker?

SMEDLEY: Yes. There is a problem in hiring the handicapped, because it is felt by some employers, for example, that if a worker has a pre-existing disability—for example, if he has a hand missing and he loses a second hand—the employee will then have permanent and total disability, and therefore, he is reluctant to hire a handicapped worker.

Now, we have advocated that second injury funds be established by the states to pick up the difference, so that when an employer hires a handicapped worker, the fund would pick up the difference between the pre-existing disability and that which is caused by his employment. Then the employer would not have to fear additional workmen's compensation cost.

FLANNERY: Thank you, gentlemen. Today's guest on Labor News Conference was Lawrence Smedley, assistant director of the AFL–CIO's Department of Social Security. Representing the press were Al Goldsmith, editor of the Washington Insurance Newsletter, and Alex Uhl, editor of Press Associates, Incorporated. This is your moderator, Harry W. Flannery, inviting you to listen again next week. Labor News Conference is a public affairs presentation of the AFL–CIO, produced in cooperation with the Mutual Radio Network.

MAY 9, 1967.

Hon. W. WILLARD WIRTZ,
Secretary of Labor, Department of Labor, Washington, D.C.

DEAR MR. SECRETARY: On behalf of the American Federation of Labor and Congress of Industrial Organizations, I wish to express the strongest endorsement and support of the proposed safety and health standard (CFR Part 5204) covering uranium miners exposed to radon daughters gas under provision of the federal public contract procurements act.

This is a long-needed and long delayed step by the federal government to extend the protections against radiation already provided for other workers in this field to the uranium miners.

As you know, the concern of the AFL–CIO has been expressed both formally and informally over many years. The .3 working level standard in your recommended standard was that which the AFL–CIO recently recommended to the Federal Radiation Commission as against its proposed .1 working level which we regard as dangerously permissive.

We strongly believe that this standard can be enforced and with the full cooperation of other federal agencies with responsibilities in this field, a control program can be swiftly mounted.

We urge that you undertake programs in the field of workmens' compensation and manpower training to provide some relief, inadequate though it may be under the circumstances, for the miners in increasing numbers who are becoming victims of incurable lung cancer, and for their families.

We look forward to an opportunity to discuss these matters further with you and members of your staff.

Sincerely,

ANDREW J. BIEMILLER,
Director, Department of Legislation.

TRANSITION TO USE OF DOMESTIC FARM LABOR HAS BEEN SUCCESSFUL

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. BURTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. BURTON of California. Mr. Speaker, from time to time I have read statements in the press referring to the alleged hardships of California growers since the expiration of Public Law 78, which stopped the flow of foreign farmworkers into the United States.

Some of these articles have been highly critical of Secretary of Labor Wirtz, particularly his action in establishing $1.60 an hour as the pay which must be offered to domestic farmworkers before requesting the importation of foreign workers. Often this $1.60 an hour is referred to as a "minimum wage"—a point which should be clarified. The Secretary has the responsibility for setting "adverse effect rates" which apply only to employers who want agricultural workers for temporary seasonal employment. Before farmers are allowed by law to bring foreign workers into the country, they must attempt to hire domestic help at the adverse effect wage rate. If sufficient workers are not available, they may request foreign workers at the same wage rate.

In establishing these rates, the Secretary of Labor is only meeting his responsibility to the Immigration and Nationality Act to assure that foreign workers are not brought into the country unless they are absolutely needed and their employment will not adversely affect wages and working conditions of American workers.

The wage rates have been set only for the 11 States which had foreign labor in 1966. The rates in these States depend on the wage structure in the individual State. Therefore, California's increase to $1.60 an hour is in keeping with general wages in the State.

It appears doubtful that California farmers suffered financial hardship as a result of farm wage increases in view of the fact that the net income realized per farm in California rose 18 percent from 1965 to 1966.

Further, with 1966 net farm income in the United States at a nearly 20-year high of $16.2 billion—$2 billion more than in 1965 and almost $4 billion more than in 1964—one could hardly argue that the country has suffered from the limitation of foreign agricultural workers and general increases in employment, wages, and working conditions of domestic farmworkers.

The record clearly shows that Americans are willing to work in the fields and orchards. They ask only what any worker deserves—a decent living wage. Significantly, the annual average unemployment rate for farmworkers dropped from 7.3 percent in 1965 to 6.5 percent in 1966. Both were well below the staggering 8.7-percent average for the last 5 bracero years.

California has definitely not been suffering from lack of workers—foreign or otherwise. For example, in 1964, 24 States used Mexican braceros. In 1965 and 1966, only one State used them—California.

Just a few weeks ago, Les Hubbard, a chief spokesman for the growers council in San Francisco, disputed the argument that there is a farm labor shortage in California.

There are few growers who need foreign workers—

He said—

mainly because of the increased use of harvesting machines.

He predicted that growers will ask for far fewer than the 8,700 hired in California last year.

Another well-worn and groundless argument is the contention that the country will suffer higher food prices as a result of California's $1.60 adverse effect rate.

I would point out that although food

prices rose 5 percent between 1965 and 1966, foods which require the bulk of seasonal farm labor in their production accounted for the least part of the increase. Prices of fresh fruits and vegetables rose only 3 percent and processed fruits and vegetables 1 percent, while meat, poultry, and fish accounted for most of the price increase.

Thus, the evidence points strongly to the conclusion that the transition to the use of domestic farm labor in this country has been successful.

The whole country—California included—has benefited from the termination of the mass importation of foreign farm labor—a milestone on the road leading the farmworker into the mainstream of our economic life.

A BILL TO EXTEND PROVISIONS OF ACT OF OCTOBER 23, 1962, RELATING TO CERTAIN UNPATENTED MINING CLAIMS

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. JOHNSON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. JOHNSON of California. Mr. Speaker, I introduce today a bill to extend the provisions of the act of October 23, 1962, relating to certain unpatented mining claims.

The 1962 act, commonly known as the Johnson-Church Act or the Mining Claims Occupancy Act, initially was drafted and introduced by me due to a very serious problem which existed in the Second Congressional District of California, which is largely federally owned either through the U.S. Forest Service, the Bureau of Land Management, or other agencies of the Department of the Interior.

Over the decades we have had a vast number of people file or purchase mining claims in good faith, believing they were acquiring valid title to their lands. In many instances the original claims were located many, many years ago when the price of gold was reasonable and the gold prospector could make a reasonable living on a claim of this nature. There is no question in my mind but that many of these claims could have been patented at that time but were not for one reason or another.

Now, many of these claims cannot, because of the price of gold, be patented, and the people who have built their homes and their lives on these claims face the loss of their improvements, their occupancy, and their homes.

It was my hope that through the introduction of the Mining Claims Occupancy Act we would enact a relief bill which would assist occupants of these unpatented claims to obtain, at fair market value, their homesites up to 5 acres of land.

The authority for this act expires October 23 of this year. Many people have yet to file applications under this authority. Additionally, the Public Land Law Review Commission, authorized by Congress in the act of September 19, 1964, is considering the whole broad question of public land use in the Nation. It is my feeling that the authority vested by the Congress under the Mining Claims Occupancy Act should be continued until the Public Land Law Review Commission completes its work, and also to permit those who have not been able to participate under the program to date, to do so.

The bill which I introduce today would merely extend, without modification, the provisions of this act until 1 year after the Public Land Law Review Commission submits its final report to the President and the Congress.

GOVERNMENT PROGRAM EVALUATION COMMISSION

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. BLANTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. BLANTON. Mr. Speaker, each year Congress establishes appropriations for hundreds of Federal programs costing billions of dollars. We can study them in committees, however, a detailed evaluation of existing programs and those which were inaugurated years ago is seriously lacking.

It is a pleasure for me to cosponsor a bill—H.R. 10520—today to establish a Government Program Evaluation Commission, directly responsible to the legislative branch. This Commission will eliminate the virtual monopoly the executive agencies have in this field of evaluating past and present programs.

The Commission's purpose would be to inform Congress and the President of the effectiveness of past and existing programs; second, to determine whether they should be continued; third, and if so, on what level; and fourth, to assign relative priority in allocation of Federal funds.

A careful study of this bill will indicate that selection of members will be divided among the two major parties, and will be essentially bipartisan.

It is my judgment that such a Commission will help us eliminate wasteful spending, and help us to have some governmental organ which would help our multitude of programs furnish the best possible services with the least amount of waste. The major reexamination duties of this Commission will help committees determine the usefulness of the numerous programs, and will simplify the study of legislation in regard to the appropriations required by them.

At present, Congress must rely almost entirely on the executive branch and the agencies that administer the programs for this type of information. This is mainly because they have the staff, resources, and techniques for such evaluation. However, since these agencies and the branch they are responsible to usually attempt to justify their existence and spendings, can we be assured of complete objectivity? Objectivity has been lacking in the past on several occasions.

We need an independent agency to help us evaluate the programs, and to keep us better informed. The public demands that Federal programs be effective, with an elimination of waste and overlapping. This bill is the answer to that demand, and is sorely needed by the legislative branch.

THE LATE JOSEPH CARDINAL RITTER

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. HUNGATE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HUNGATE. Mr. Speaker, I wish to join with countless others who are mourning the death of Joseph Cardinal Ritter, the archbishop of St. Louis. Cardinal Ritter passed away after 74 fruitful years of religious fulfillment on Saturday, June 10, 1967. In his own quiet way, he not only led his church to an elevated and honored position in America, but also to a more meaningful place in the lives of its many faithful. His own life embodied concepts of human justice and Christian charity. Years before this Congress passed legislation to integrate America's schools, Cardinal Ritter ordered that parochial schools of both Indianapolis and St. Louis open their doors to children of all races. He was the leading spokesman at the Second Vatican Council and led the fight for a liberal church stand on religious liberty. This courageous outlook resulted in a new ecumenical spirit that will someday undoubtedly bring a new harmony among the Christian religions of the world.

At home, a far-reaching innovation brought forth the concept of the expansion fund drive which enabled the physical construction and continued growth of the diocese of St. Louis. The cardinal's leadership also paved the way for an almost effortless transition into the use of the Second Vatican Council's decrees on the new liturgy.

Cardinal Ritter was a man of tremendous foresight. His small physical stature belied his enormous will to see the precepts of Christian life become a lasting reality. We mourn him, and we will miss him.

BUNKER HILL NATIONAL HISTORIC SITE

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. O'NEILL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. O'NEILL of Massachusetts. Mr. Speaker, I introduce today, along with Representative JAMES CLEVELAND, of New Hampshire, a bill that would make

Bunker Hill Monument in Charlestown a national historic site.

The people of Charlestown, of Boston, and of the entire Commonwealth feel a special pride in and affection for Bunker Hill. But this monument is too important, too meaningful to the rest of the country, to be limited to the people of our State. It represents America's struggle for independence and freedom, her fight for the right to establish her own form of government. Because of this, the Commonwealth of Massachusetts wishes to donate the Bunker Hill Monument to the people of the United States.

The bill would authorize the Secretary of the Interior to accept the donation of the monument and the 4 acres of land surrounding it, and to establish the site as the Bunker Hill National Historic Site. This would be administered, protected, and developed by the Secretary of the Interior.

INTEROCEANIC CANAL PROBLEM: TENNESSEE OPPOSES SURRENDER AT PANAMA

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. FLOOD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. FLOOD. Mr. Speaker, in a statement to the House in the CONGRESSIONAL RECORD of May 15, 1967, I quoted the texts of resolutions adopted by the South Carolina Legislature and the house of delegates of the Virginia Legislature opposing the projected surrender to Panama of U.S. sovereignty over the Canal Zone. It is indeed, gratifying to report that the 85th General Assembly of the State of Tennessee, by action of its house of representatives on May 22, 1967, and the senate on May 24, adopted Tennessee House Joint Resolution 84, likewise strongly opposing the relinquishment by the United States of its existing sovereign rights, powers, and authority over the Canal Zone and Panama Canal.

It is interesting, Mr. Speaker, that the Tennessee resolution had 23 sponsors. This fact clearly shows that the mass of the people of the several States of the Union are far ahead of their general government in Washington in appraising the dangers at Panama. These have been dramatized by recent threats of Egypt to block the Suez Canal to vessels of nations opposing Egypt's despotic policy in claiming international waters adjacent to the Suez Canal as being under the absolute control of Egypt.

The people of the United States instinctively recognize that cession of their sovereignty over the Canal Zone would be tantamount to ceding it to Communist revolutionary power and that Panama would become another Cuba. They do not wish to have a Suez Canal type of crisis at Panama and growing numbers of them are determined to prevent it. The adoption of the proposed new treaties with Panama will inevitably create there a Suez Canal situation.

Mr. Speaker, with three States having exercised their sovereign powers as parties to the Constitution, it is to be expected that other States will soon follow Virginia, South Carolina, and Tennessee with supporting actions.

The indicated resolution follows:

TENNESSEE HOUSE JOINT RESOLUTION 84

A resolution expressing strong opposition to the proposal that the United States relinquish its sovereignty over the Canal Zone and the Panama Canal

Whereas, the Executive Branch of the United States Government has publicly announced that it is in the process of negotiating a treaty or Treaties with the Republic of Panama that could dilute the indispensable grant of sovereignty over the United States-owned Canal Zone territory acquired pursuant to law and purchase from individual property owners under the 1903 Treaty with Panama for the construction, operation, maintenance, sanitation, and protection of the Panama Canal; and

Whereas, any such proposed treaty or treaties, if ratified by the United States Senate, could divest the United States of authority where there is grave responsibility and thereby render our government impotent to maintain and operate the Panama Canal in conformity with the provisions of the 1901 Hay-Pauncefote Treaty with Great Britain under which Treaty the United States is obligated to maintain, operate and protect the Panama Canal on terms of equality for world shipping; and

Whereas, the proposed new treaty or treaties, if approved, could effectively destroy all the indispensable rights heretofore exercised by the United States with respect to the Canal Zone and the Panama Canal; and

Whereas, any withdrawal by the United States could make easier a takeover by communist authority and similar takeovers of governments throughout Latin America, as in the case of Cuba, and imperil the security of the United States and the entire Western Hemisphere; now therefore,

Be it resolved by the House of Representatives of the eighty-fifth General Assembly of the State of Tennessee, the Senate concurring, that we oppose the relinquishing by the United States of its existing rights, powers and authority over the Canal Zone and Panama Canal.

Be it further resolved, that copies of this resolution be forwarded to each United States Senator and each member of the House of Representatives in the Congress from Tennessee.

WHEN THE RACE FOR SPACE BEGAN

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. FLOOD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. FLOOD. Mr. Speaker, the launching of the Russian Sputnik I in 1957 was an achievement of epochal significance that stimulated extensive writings about the efforts of man for the investigation of space. Little, however, has been published about the pioneering that necessarily preceded recent extraordinary performances in the race of the two strongest world powers—the Soviet Union and the United States.

One such article about the first use of sealed cabins and life support systems, by J. Gordon Vaeth, now Director of System Engineering of the U.S. National Environmental Satellite Center, tells the dramatic story of the important contribution of Lt. Comdr.—now Vice Adm.—T. G. W. Settle, U.S. Navy, and the late Maj. Chester L. Fordney, U.S. Marine Corps Reserve, in their historic balloon ascent in August 1933 into the stratosphere. In the light of the later role for space, the initial Soviet reactions to that world altitude record flight, as related by Director Vaeth, supplies an insight into what has followed in "contesting" the heights of science. The knowledge gained by Lieutenant Commander Settle and Major Fordney was doubtless utilized with profit by Soviet scientists in developing the first sputniks.

In order that the history of the Settle-Fordney flight and its significance may be recorded in the permanent annals of the Congress and thus serve as an inspiration to the youth of our Nation, I quote the indicated article as part of my remarks:

WHEN THE RACE FOR SPACE BEGAN

(By J. Gordon Vaeth)

(The Soviet Union had captured the imagination of the world by sending men higher than anyone had ever gone before. America's response was made shortly afterward by a naval officer and a Marine officer. Their names were not Shepard and Glenn, and the time was not the Sixties, but the Thirties. In an all-but-forgotten flight, two American military men carried their country's colors to a world altitude record and began the race for space that continues today)

On 20 November 1933—while a great, pear-shaped, white-colored envelope drifted silently above the Ohio countryside—a message was received by Naval Communications in Washington: Stratosphere Balloon Lt. Comdr. Settle Major Fordney took off Akron Naught Nine Three Naught X Please Inform OPNAV, Buaer, Major General Commandant.

Those who originated and received this dispatch could have hardly foreseen its implications. The take-off which it reported would result in the achievement of a world's altitude record. The Foreign Commissar of the Soviet Union, commenting on the flight, would use it as a basis for challenging the United States to compete with his country for the conquest of the heights. Josef Stalin, apparently irked by the Settle-Fordney achievement, allegedly would order three Soviet balloonists into the air and to their deaths in an attempt to break the American-held record. And from this there would emerge the Race for Space, a race that began with piloted balloons before graduating to satellites and manned spacecraft.

The balloon which rose from the Akron Municipal Airport that morning 30 years ago had emblazoned on its gondola the crossed anchors, shield, and eagle of the Navy, and the globe, eagle, and anchor of the Marine Corps. The pilot was Lieutenant Commander Thomas ("Tex") Greenhow Williams Settle, U.S. Navy, known at that time for his interest in rocket experiments and his predictions of the coming era of manned rocket flight. Lieutenant Commander Settle's scientific observer was a ground-based Marine reservist, Major Chester L. Fordney.

Their ascent did much more than begin the Race for Space. It pioneered the sealed cabins and life support systems used in manned spacecraft today. As far as is known, it was the first flight to expose living organisms, spores, directly to conditions at the top of the atmosphere. It is believed to have

been the first flight in which the biological effects of very high altitude radiation upon human beings was the subject of serious concern and study.

Settle and Fordney rode no rocket. They could hardly be called astronauts in today's sense of the word. They were, however, the first Americans to reach, enter, and remain for any period of time (two hours) in a space-equivalent environment. In this sense, they were America's first men-in-space—and the press and public of the times considered them such.

The story of their flight had its beginnings half a decade before in the mid-1920s. Settle, an airship officer based at Lakehurst, New Jersey, had become interested in taking a free balloon as high as possible into the atmosphere. He watched, therefore, the altitude attempts being made at the time in an open balloon basket by the Army's Captain Hawthorne Gray. When, in 1927, Gray reached 42,470 feet, but lost his life through oxygen supply failure, Settle quickly concluded that flight to this and greater heights would demand sealed and pressurized cabins.

With C. P. Burgess of the Bureau of Aeronautics, he worked out a design for such a cabin. It was among the first in aviation history. Dubbed "The Flying Coffin" because of its shape, it consisted of a cylinder about seven feet long, with rounded ends and a diameter of approximately three feet. Inside was room for one man, his life support system, instruments, and flight controls. Sitting on a shelf, Settle had hoped to ride this tube-shaped gondola far into the stratosphere.

Rear Admiral William A. Moffet, the Bureau's research-minded Chief, took a personal interest in the "Coffin" and authorized its fabrication by the Naval Aircraft Factory, Philadelphia. It was never built, however. About this time, Navy efforts to develop a seaplane to win the Schneider Racing Trophy had begun to attract Congressional and public attention. There was an outcry against so-called "unconventional projects." The Bureau of Aeronautics yielded to pressure, and among the projects cancelled was "The Flying Coffin."

Others, however, had been quick to adopt the idea. Auguste Piccard, the Swiss-born physicist, was one. Independently, he had hit upon the same solution to protect himself against the low pressure, extreme cold, and lack of oxygen found at the heights he wanted to reach for cosmic ray studies. Instead of a cylinder, however, his cabin was a sphere. In it, he and an assistant twice reached record altitudes over Europe: 51,000 feet in 1931 and 53,000 feet a year later.

Early in 1933, Auguste Piccard came to the United States for a lecture tour which he hoped would help raise funds for still another ascent. This was the year that Chicago was playing host to the world's fair—"A Century of Progress" Exposition. Piccard suggested that he make his new scientific flight as one of the attractions of the fair. Its managers were enthusiastic; the National Broadcasting Company and the Chicago *Daily News* quickly volunteered to help as sponsors. Two Nobel prize-winning American scientists, Arthur H. Compton and Robert A. Millikan, would provide cosmic ray equipment. The Union Carbide and Carbon Corporation agreed to donate the hydrogen and the Dow Chemical Company, a gondola. The balloon would be designed and built at cost by the Goodyear Zeppelin Corporation. The pilot would be Auguste Piccard. His twin brother Jean, a chemist living in Wilmington, Delaware, would accompany him aloft as observer.

An unforeseen circumstance in Europe, however, necessitated Auguste Piccard's return. Settle, the only man in the world then known to be licensed to fly all types of aircraft, record distance-holder for balloon flying and winner of the 16-entry Gordon Bennett International Balloon Race of 1932, was loaned by the Navy to serve as pilot. When uncertainty arose about the balloon's ability to reach a record height, Jean Piccard graciously withdrew from the flight to reduce the weight not disposable for ballast.

Settle would go it alone—and, to see his take-off, tens of thousands arrived at Chicago's Soldier Field on the summer night of 4 August 1933. They looked out upon a sight never before seen in that great stadium. White ground cloths had been spread across the grass. On them lay a pile of wrinkled fabric, the envelope of the largest balloon yet built. Nearby was a stack of 700 steel cylinders filled with hydrogen gas. From these cylinders a long inflation tube stretched over to the giant bag.

Inflating the 600,000-cubic-foot, single-ply, rubberized-cotton envelope was slow and tedious. Gradually, however, the 105-foot-diameter balloon began mushrooming into shape. It was kept earthbound by ropes which passed through eyelets in a catenary band circling the envelope near its top.

Toward 2:00 a.m., the gondola was wheeled beneath the towering bag to be connected by shroud lines with another catenary band girding the lower part of the balloon. Seven feet in diameter, the sphere had a shell only three-sixteenths of an inch thick.

At 2:15 a.m., it was announced over the public address system that Settle wanted to test the balloon valve. Complete silence was requested. The crowd fell quiet. He gave the valve cord a hard pull, let go, and listened. Many could hear it—a prolonged hissing and whistling that gradually lessened and then stopped, which meant that, instead of slamming shut as they should have done, the valve doors had only slowly, very slowly, moved back into the closed position.

The envelope was only partially inflated to leave room for the hydrogen to expand as greater heights and lower pressures were reached. The 125,000 cubic feet which had been fed into the bag had concentrated as a ball of gas in the upper portion of the balloon; the lower part was empty and hung as loose folds of fabric. Passing through these folds, the valve cord had been restrained. The balloon's designers had foreseen this possibility, had heavily coated the cord with graphite, and had brought it down through the interior of the bag and out through the fabric at a point where they thought the valve cord would be relatively free from the sucked-in folds and curtains. Still, the cord continued to be restrained.

Settle stood on the field, looking alternately at the balloon and at the crowd. Unable to valve properly, he knew that the flight would probably fail. He also knew that to abort the launch attempt by ripping the balloon and releasing its hydrogen in the middle of the stadium would endanger the people in the stands.

"Let's go," he said.

Bathed in the light of powerful searchlights, the *A Century of Progress*, as the balloon had been christened on the field, began a slow majestic climb. It was 3:00 a.m.

At 5,000 feet, seeing himself over deserted railroad yards, Settle tried the valve again. This time it stayed open, showing no sign of closing whatsoever.

Three thousand feet . . . and falling. Settle began dumping sand and lead pellet ballast upon the tracks beneath.

Still illuminated by the lights at Soldier Field, the sinking balloon was clearly visible to the spectators. Marine Major Fordney, whose men had been helping with the launch operation, took four Marines with him, jumped into a car and headed for the balloon, keeping it barely in sight as it dropped ever lower in the sky. When he reached it, he found it lying deflated on the Chicago, Burlington, and Quincy right-of-way at 14th and Canal Streets. A cigarette-smoking crowd had begun to gather and was tramping over the envelope. Settle, uninjured, was doing his best to keep them away. Few paid any attention to his warning shouts that the big bag still had pockets of explosive hydrogen in it. Some had begun cutting the fabric up for souvenirs. One or two were even eyeing the equipment and instruments inside the gondola.

Fordney and his men made their entry. According to the Chicago *Daily News*, "in the ensuing three minutes, the mob was treated to a gala performance of language and action that have won reputations for potency from the halls of Montezuma to the Shores of Tripoli. Neither lost any of its traditional effectiveness under the circumstances." With the help of other military personnel arriving on the scene, the balloon was rolled up, placed on a railroad freight car, and, with the gondola, taken to a nearby warehouse where it was secured for the night and guarded by Fordney's Marines.

The flight had reached 5,000 feet. It had lasted about 15 minutes. The great spectacle at Soldier Field had ended in a tremendous flop. Yet the press treated the episode good-naturedly. One paper headlined the story, Settle Up! Settle Down! Almost every editorial expressed the hope that the flight would be attempted again.

And it was. The hydrogen was re-ordered; two thousand holes and bruise marks were patched in the envelope; the gondola was refitted and its dents removed.

Settle, whose duty assignment was Inspector of Naval Aircraft in Akron, remained on loan by the Navy for this second attempt. His experience on the first flight had convinced him that, regardless of weight considerations, he needed another man on board. He chose "Mike" Fordney, who had saved the balloon from the mob and whom he had known for some months in connection with the Exposition and with the preparations for take-off at Soldier Field. Fordney, a student of science, and in charge of the mathematics exhibit at the fair, was detailed as flight observer.

On 24 September 1933 came news from overseas that the Soviets had that date tried unsuccessfully to launch a record-seeking, high-altitude, sealed-cabin balloon. Its name: the *USSR*. Six days later, they succeeded. In a flight lasting eight hours and 19 minutes, three Russian aeronauts, Georgi Prokofiev, Konstantin Gudenoff, and Ernest Birnbaum reached a height of 62,230 feet. In their ascent from Moscow to a point 11.8 miles above the earth, they had surpassed Auguste Piccard's "highest aloft" record by almost 10,000 feet.

In replying to the Soviet achievement, Settle and Fordney decided not to try another ascent from the Exposition grounds in Chicago. They would transfer operations to the Goodyear Zeppelin dock at Akron. Inside this mammoth hangar, the balloon could be inflated and rigged regardless of the weather and in privacy, without fanfare and public relations pressures.

On 17 November, the *A Century of Progress*, was erected and pronounced ready for flight again. The troublesome valve cord, now encased in a flexible tube and led out of the bag at the equator, worked perfectly. Only the wait for favorable weather remained.

Early the morning of the 20th, the already-inflated balloon was walked through the northeast hangar doors and out onto the field. Fordney, dressed in leather flying jacket, took his place inside the gondola for what would be the first and only balloon flight he ever made. His was the responsibility for the scientific equipment.

Settle, hatless and wearing white tennis shoes, blue trousers, and a light leather jacket, was atop the gondola checking shroud lines and attachments.

Because a "high sun" was desired for some of the scientific experiments aboard, the plan

was to reach peak altitude about midday. High velocity winds waited in the stratosphere. Drift-wise, Settle and Fordney could not afford to spend any more time than absolutely necessary in their eastward flow. The coastline was too close. Accordingly, it was hoped to delay the launch as late into the morning as possible.

The balloon had been undocked at daybreak to take advantage of the early-morning wind lull. As the sun rose, so did the wind. By nine o'clock it was blowing out of the northwest at almost eight m.p.h. The craft could not be held on the ground much longer. Minutes later the *A Century of Progress* began its ascent with Settle riding atop the gondola roof jettisoning bags of lead and sand ballast.

For the second time it was headed up, its destination the upper atmosphere. Gross weight as it left the ground was 7,700 pounds, of which 4,100 was ballast.

Inexorably the aerostat began its drift towards the coast where the Atlantic lapped at the shoreline only 400 miles away. Altitude was maintained at between 2,000 and 5,000 feet as Settle tried to stay in low-vel city winds as long as possible before starting up towards ceiling about noon.

Casually killing time and drifting along with hatches open, Settle and Fordney quickly began to feel at home in their little sphere. It was not a strange environment to either of them. They had spent many preflight hours in it. Procedure trainers being unknown in 1933, they had used the gondola for dry-runs and closed-hatch simulated flights to prove out the adequacy of the air regeneration system.

Of the equipment crammed into the 7-foot ball, this was perhaps the most important. The heart of the system was a double-walled flask containing liquid oxygen which was evaporated to replace oxygen consumed by breathing. It could also be used to maintain or build up cabin pressure. To remove carbon dioxide and water vapor, absorbents used in the submarine service were employed. Anticipating latter-day "bailout bottles," Momsen submarine escape lungs were carried to be worn in the event of having to parachute down from very high altitudes.

The chutes were attached to the shroud lines of the rigging. Each man wore a parachute harness. If he had to jump, he would quickly fasten the harness D-rings to the chute and dive over the side. A tie-down arrangement in the rigging would, like a static line, automatically open the parachute.

The gondola had a deck, 4 feet in diameter, to stand upon. Three tiers of shelves circled the white-painted interior of the sphere. Deck and shelves were supported by eight vertical stanchions attached directly to the load ring atop the gondola. Thus, the weight of men and shelf-mounted equipment was taken directly by the rigging of the balloon and not by the thin gondola skin. Ten observation ports, 3¼ inches in diameter, had been built into the shell. So had two hatches, each with an airtight double door. To control internal temperature, the upper half of the outer surface from the gondola's equator to 60 degrees North latitude had been painted white, the lower half, black.

At 12:45 p.m., over East Liverpool, Ohio, Settle began ballasting continuously. The ascent to the heights had begun in earnest. Hatches were closed at 13,750 feet. Ground visibility was poor and obscured by haze while the balloon rose ever higher into clearer and more rarefied air. As it did, the faint clicking of the cosmic ray counters became more insistent.

Peak altitude was reached about 2:10. The altimeter read 58,000 feet. Exact height would not be known until the balloon's return to earth and an examination made of its sealed barograph by the Bureau of Standards. At ceiling, cabin pressure held at the equivalent of 12,000 to 15,000 feet while inboard temperature ranged between 40 and 50 degrees Fahrenheit.

In addition to three pieces of cosmic ray apparatus, there were cameras, a spectrograph, a light polarization indicator, and air sample bottles to monitor, operate, or use. Also aboard were standard color charts to compare with and determine the color of the sky.

Suspended in the rigging above the gondola was the aerial for the 3-watt radio transmitter carried. Dangling 60 feet below was the receiver antenna. Call letters were W9XZ. From the beginning of the flight, Settle and Fordney were in voice contact with ground stations. They talked with flight sponsors Frank Knox, publisher of the Chicago *Daily News*, Niles Trammell, NBC vice president and Rear Admiral Ernest J. King, Chief of the Bureau of Aeronautics.

For two hours the balloon floated at near-maximum altitude. With the approach of late afternoon, the hydrogen began to cool and contract. A loss of lift set in. As it did, Settle began ballasting again this time to control the rate of descent.

From a ballast hopper inside the gondola poured a mixture of lead shot. One millimeter and one-half millimeter in diameter, the size of these pellets had been carefully selected to ensure that no one could be injured on the ground by their fall. Tests had shown that at terminal velocity they would not puncture the eyeball of a person looking skyward at the balloon.

Descent was maintained at a rate of less than 15 feet per second. At about 30,000 feet, inboard and outboard pressures were equalized. At 26,500, the hatches were opened. Now Settle could begin ballasting with equipment from inside the cabin. Out went the heavy radio batteries, tools, food, each item with a small parachute attached to it to slow its fall and protect life and property below.

At 5:40 p.m., and a height of 800 feet, the *A Century of Progress* levelled off near Bridgeton, New Jersey. Owing to the near-darkness and proximity of the coast, Settle decided to and as soon as possible. Ten minutes later, with the balloon almost down to the ground, he pulled the red-dyed rip cord. Seconds later, the envelope draped itself across a Jersey marsh.

The flight had ended in a bayou-like terrain of bays, inlets, and partly submerged patches of weeds and mud. The two men set out with a flashlight in various directions from the undamaged gondola to try to reach a house or telephone—always to be stopped by a body of water so large they were unable to see its other side in the darkness. Under the circumstances, they could do little else but return to the deflated balloon, wrap themselves in its folds for warmth, and await the return of daylight.

Next morning, while an aerial search began for the unreported flyers, Fordney stripped to his skin and, holding his clothes above his head, set out through the cold marsh waters in search of civilization. Settle stayed behind to protect the scientific instruments and particularly the barograph upon which the official record of altitude would depend. After sloshing along for about five miles, the Marine finally reached a farmhouse where he was able to telephone the balloon's position (at the confluence of the Delaware and Cohansey Rivers) and report "all safe." Shortly afterwards, state police, naval personnel, and flight officials arrived on the scene and the roll-up and clean-up operations began.

At three that afternoon, a Coast Guard plane landed at the Naval Air Station, Anacostia, with Settle and the barograph aboard. Two days later, on the 23rd, the Bureau of Standards, after examining the instrument, announced that an altitude of 61,237 feet had been achieved. This was about a thousand feet below that reached by the Russian balloon, *USSR*. The Soviet Union, however, was not at that time a member of the Fédération Aeronautique Internationale, the aviation body which certifies world flying records. For this reason, the Russian record had never been recognized. On 4 January 1934, the FAI advised that the Settle-Fordney flight had been entered in the list of world records.

Despite the failure of their own record to be recognized, the Russian aeronauts sent cordial greetings and congratulations. Delivered to the Army and Navy Club in Washington, they took the form of cablegrams received by the Soviet Embassy and forwarded to Settle by mail. They came not only from the crew of the *USSR* but also from Fedor Ilin, President of the Committee-on-Construction of Osoaviakhim, Russia's popular aviation organization. Osoaviakhim was readying its own balloon for yet another Soviet "stratostat" ascent.

From Maxim Litvinoff, Foreign Commissar of the Soviet Union, came this message: Hearty congratulations on your great achievement. I am sure that your colleagues in the Soviet Union have watched with greatest interest your flight. May both our countries continue to contest the heights in every sphere of science and technique.

"Contest the heights"—these were the words that Litvinoff used. The Soviet intent to compete with American technology had been declared, the challenge given, the race towards space begun.

Russia's response to the new American record came only two months after the Settle-Fordney flight. The *Osoaviakhim*, with a crew of three, Fedossejenko, Vassenko, and Oussyskine, climbed to a height of 72,-182 feet on 30 January 1934. During descent, however, the balloon fell, out of control, killing all on board. The Soviets said that the crew, in their enthusiasm, had simply over-expended their ballast, failing to keep enough to control their descent. American balloonists, quick to doubt that their Russian counterparts would make such a fundamental error, were more inclined to believe that the *Osoaviakhim*, or *Sirius* as it was also known, had iced up during its descent through the clouds. One factor was unclear—why the flight had been attempted at such an unfavorable time of year.

Later, newspaper sources would provide an interesting, perhaps accurate, answer. That week in January was the week when the 17th All-Union Communist Party Congress was meeting in Moscow. Stalin, so the story went, anxious that a spectacular Soviet achievement take place while the Congress was in session, let it be known that he expected the *Osoaviakhim* to provide that achievement. When adverse mid-winter weather threatened to cancel the operation, he allegedly sent word direct: "You go . . . or else!" Perhaps, then, with good reason, Fedossejenko had leaned from the hatch at take-off to cry "Long Live the 17th Party Congress! Long Live the World Revolution!"

In April 1934, the First All-Union Stratostat Congress was convened in Leningrad. During its deliberations, the Settle-Fordney ascent was described as "a sign of great advance in American technology," and Settle was referred to as the Russians' worthiest competitor in their assault upon the upper air.

Settle, however, could no longer compete. Due for a change in duty, he had been transferred to China waters, there to take command of the Yangtze River gunboat *Palos*. Others would have to take his place.

They did. Kepner, Stevens, and Anderson, in the U.S. Army Air Corps-National Geographic Society balloon, *Explorer*, reached about 60,000 feet on 26 July 1934, barely parachuting to safety when the envelope failed and its hydrogen burned in flight.

Drs. Jean and Jeanette Piccard, to whom ownership of the *A Century of Progress* had reverted following the Settle-Fordney flight,

took the balloon skyward once more on 23 October 1934, this time to 57,579 feet.

At this point, the Soviets returned to the fringes-of-space sweepstakes. Their entry was the balloon of Varigo and Christopzille. In a caution-filled ascent reflecting the accident to the *Osoaviakhim*, they went to 53,000 feet on 26 June 1935.

Armistice Day that same year saw Stevens and Anderson attain 72,395 feet in the *Explorer II*.

Thus, with balloons did the United States first answer Soviet Commissar Litvinoff. Today, three decades later, Americans and Russians "continue to contest the heights" with the newest flight vehicles their respective technologies can provide.

CHANGE—A WORLD FOR THE YOUNG

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from South Carolina [Mr. DORN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. DORN. Mr. Speaker, the Honorable Byron R. White, Associate Justice of the Supreme Court of the United States, made the graduating address at the first commencement exercises of Langley High School at McLean, Va., on Saturday, June 10. My daughter was a member of the graduating class and, therefore, I was privileged with my family to hear this great, timely, and challenging address so ably delivered by Justice White.

I commend to my colleagues in the Congress and to the people of our country Justice White's superb address:

AN ADDRESS BY BYRON R. WHITE, ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES, AT THE LANGLEY HIGH SCHOOL COMMENCEMENT

Mr. Hertzler, graduates, parents, faculty and friends of Langley High School.

I had only a few blocks to travel here, the same few blocks that many of you graduates had to come. But I would have agreed to a much longer trip to be here, for the very simple reason that the arrival of another generation on the scene is an important event, not only to you who have finished your high school training, but to all of us, especially to us who are called the older generation. Your mothers and fathers may not appreciate that classification, but none of us can deny the facts of life.

All of us, I think, are all too well aware of the degree to which each of you will determine the future. Change, very rapid change has overtaken the world, this country in particular. This remarkable acceleration began when many of us were much younger. Change is, therefore, neither strange, abhorrent nor avoidable as far as we are concerned. The point is, however, that the race is a very fast one, a race perhaps only for the young and the swift. At least, it is a race for those who are prepared for it. I do not mean to suggest that everyone need be a sprinter or perish, but I should not mince words in suggesting to you that there are not just one, but several races now in progress, in which all or most of your graduates will participate whether you like it or not. And the results of the contest will determine to a great extent your own destinies and those of your children.

Change has made the world a world for the young, not only because of the energy and resilience which existence today requires, but for still another distinctive reason which has emerged in the last decade. "Change" as we speak of it, is a convenient way of talking about that whole collection of factors which have brought complexity to almost everything we do. Behind the most simple aspects of everyday life, like going to the store, to the movie, or for a ride, or building a house, or turning on the lights or the water, or going to the doctor or doing our everyday work, there is the most towering complexity, aimed, perhaps at making life more fruitful, even simpler, but nevertheless requiring a degree of competence which would have astonished our ancestors. Just to run the country and survive from day to day calls for trained intelligence from all of us.

Beyond the routine, however, there are matters which seem to have mystified the generation just ahead of you. It is our hope that you can do much better with these issues. We say for ourselves that we too had problems, in the form of depression and war, that had never been faced before. Perhaps it has always been that the present must manage legacies from the past but we are now facing what seem to be a collection of quite unyielding and intractable problems, for which the country has as yet no viable solutions. Many people today sense an intense need for an absolutely new and historically unmatched degree of insight and intelligence. Moreover, the major current conundrums not only invite and demand the attention of extraordinary competence but also the cooperative effort of men and women of many different skills and understandings. Our principal preoccupations—war and peace, freedom and equality both at home and abroad, continued prosperity, the growth of the world's population, the management of technology—these and many other issues on our list of urgent concerns await the attention of you young people who have been trained and educated in the modern world. There is hardly any comparison between the training you have so far received and that which your parents enjoyed. There is far more contrast than likeness. The contrast is even sharper with respect to the educational years still before you. You have been exposed to far more than your predecessors, and you will be exposed to far more in the years to come. This is not, perhaps, an unmixed blessing, but it is a fact, not only a necessary but an exciting fact. Wherever our problems came from, whoever is to blame for them, they are in the last analysis your problems too. Their solution poses the most inexhaustible demand for talented and well motivated individuals that the world has yet experienced. That need will be satisfied from your generation or it will not be satisfied at all. Hence my interest, and the interest of the country, in you and all of the others who have reached this important stage in their careers. The challenge is yours.

Actually, what I am saying is nothing more than an expression of the underlying conviction of those who settled this land and who determined, based on their own experience, to create and perpetuate the system we have. The principle is that our real wealth is not in our natural resources, our lands, our forests, mines or rivers, but in our people. There have been some major arguments about the matter, but the long range judgment of this country is that morally, as well as economically, the most rewarding and most satisfying investment is the investment in our human resources. Free man with choice and with the opportunity to develop and apply his talents has been our most successful formula. The idea has been, first, that given the right circumstances, human capability is almost unlimited and second, that human beings are entitled to those right circumstances. Not all people will respond. As a matter of fact, many will not, and they have every right to decline. But enough have responded, and will respond, to make the whole effort worth the candle.

This country now spends almost $50 billion a year on all levels of education, public and private, incomparably more than just a few years ago and incomparably more than any other country in the world. In 1869, there were 16 thousand high school graduates, 2% of all 17 year olds. A century later, the figures are over 3½ million graduates or 72% of 17 year olds. In 1870, a little over 1½% of the 18 to 21 year olds were enrolled in higher educational institutions. In 1963, the percentage was 38½% of this same age group. In 1869, the were hardly any PhD degrees granted in the entire country. In 1963–1964, there were 14,490 doctorates conferred. One hundred years ago, there were 50 thousand people in colleges and universities. There are 5½ million today and the figure is going up at a rapid rate. Americans in higher education outnumber those in higher education in all of the rest of the world combined. American colleges and universities have a larger population than Denmark, Ireland or any of the independent nations of the United Nations. There are 21 hundred colleges and universities in the country and over 2 million teachers at all levels of education.

These are not boastful figures, but only an indication of the degree to which this country depends on the development of human beings. For us, this is not only a practical necessity but it is what the people demand and what they will have. And it is what you in turn will demand and will have for your children.

We have also attempted, not always successfully, to distribute power, both political and economic power in a similar fashion, not only because we have feared concentrations of authority and influence but because widely held power will for most purposes produce the best long range results. Such faith in mass competence may not have great historical support outside our own communities and even here it is still being put to the bitter test by events swirling around us at this very moment. But we have succeeded much more often than we have failed. The system has so far worked. Whether it will continue to do so depends on many things. But the major element will be your own development and your own response. I have no doubt, and neither does anyone else, that in a scant few years a good many of you will be in positions of great responsibility and will be setting the tone and the character of the future. Thus it is only fitting that we congratulate you and wish you Godspeed.

If you have not passed beyond our control, you will probably do so very soon, as is only natural. From this time forward it will be much more of a mutual affair. If you will permit, we shall make every effort to uphold our end of the bargain. I have, in turn, every confidence that you will do likewise. In fact, I suspect that you will do much more than that. I hope that you will.

MEDICAID—DIRECT BILLING

Mr. PRYOR. Mr. Speaker, I ask unanimous consent that the gentleman from South Carolina [Mr. DORN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. DORN. Mr. Speaker, the relationship between a patient and his physician is one of the most important relationships in our society. It is essential that this ethical and moral relationship be

maintained as a cornerstone of our freedom, just as the dealings between a client and his attorney must also remain inviolate. The news reporter and his source of information fall in a somewhat similar category.

Unfortunately, the patient-physician relationship has been upset by the passage of title XIX of the Social Security Act, best known as medicaid.

Medicaid, Mr. Speaker, provides for only one form of billing by the physician for his services to the patient. The physician must bill the Government or its agent, such as an insurance company or a State agency.

The intent of both medicare and medicaid was to put everyone in the mainstream of health care. The effect of this legislation, however, has been to place the patient in a second-class category. If the patient has been paying his doctor bills all his life and suddenly is told he does not have to bother any longer because the Government is picking up the tab, he is then placed in a new and different category—one with aspects of charity care that must be distasteful to many.

Contrast with this medicaid provision the situation when the patient pays his bill and is then reimbursed by the Government. The patient has been treated and he has paid the physician—their personal relationship has been maintained. The patient has also dealt separately with the Government, as he would a private insurance company. The physician has remained a physician, not an agent of the Government.

Any payment mechanism should damage a patient's sense of self-sufficiency as little as possible. The relationship must continue to be one between equals, not one between a physician-agent and a ward of the Government.

Mr. Speaker, I believe it is imperative that there be an alternative to medicaid's single method of payment, so that the traditional physician-patient relationship can be maintained. The logical alternative is perhaps best known as direct billing. While it might well result in significantly reduced monetary rewards for some members of the medical profession, the profession is firmly on record in favor of legislation to amend medicaid to include direct billing provisions.

Therefore, I have introduced legislation which would allow physicians and patients to maintain their rightful relationship through direct billing.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. KELLY (at the request of Mr. ROSTENKOWSKI), for Tuesday, June 13, 1967, on account of illness.

Mr. TENZER, for June 14 and 15, for observance of Jewish Festival—Feast of Weeks (Shevuoth).

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PUCINSKI, for 10 minutes, today; to revise and extend his remarks and to include extraneous matter.

Mr. FINDLEY (at the request of Mr. DELLENBACK), for 30 minutes, today; to revise and extend his remarks and to inlude extraneous matter.

Mr. BOLLING (at the request of Mr. PRYOR), for 10 minutes, tomorrow, June 14; to revise and extend his remarks and include extraneous matter, charts, and tables.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DELLENBACK) and to include extraneous matter:)

Mr. SPRINGER.
Mr. SMITH of California.
Mr. HORTON.
Mr. GROVER.

(The following Members (at the request of Mr. PRYOR) and to include extraneous matter:)

Mr. REES.
Mr. PHILBIN in two instances.
Mr. BROOKS and to include a table.

SENATE BILLS, JOINT AND CONCURRENT RESOLUTIONS REFERRED

Bills, joint and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1281. An act to authorize the appropriation of funds to carry out the activities of the Federal Field Committee for Development Planning in Alaska; to the Committee on Interior and Insular Affairs.

S. 1566. An act to amend sections 3 and 4 of the act approved September 22, 1964 (78 Stat. 990), providing for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans; to the Committee on Merchant Marine and Fisheries.

S.J. Res. 88. Joint resolution authorizing the operation of an amateur radio station by participants in the 12th World Boy Scout Jamboree at Farragut State Park, Idaho, August 1 through August 9, 1967; to the Committee on Interstate and Foreign Commerce.

S. Con. Res. 30. Concurrent resolution to print a report entitled "Mineral and Water Resources of Alaska"; to the Committee on House Administration.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 6133. An act to authorize appropriations for the saline water conversion program, to expand the program, and for other purposes;

H.R. 6431. An act to amend the public health laws relating to mental health to extend, expand, and improve them, and for other purposes; and

H.R. 9029. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1968, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1352. An act to authorize adjustments in the amount of outstanding silver certificates, and for other purposes.

ADJOURNMENT

Mr. PRYOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 13 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 14, 1967, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

831. Under clause 2 of rule XXIV, a letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to extend for 2 years the authority for more flexible regulation of maximum rates of interest or dividends, higher reserve requirements, and open market operations in agency issues, was taken from the Speaker's table, referred to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMPSON of New Jersey: Joint Committee on Disposition of Executive Papers. House Report No. 354. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 4920. A bill to amend the act of August 9, 1955, to authorize longer term leases of Indian lands on the San Carlos Apache Reservation in Arizona; with amendment (Rept. No. 355). Referred to the Committee of the Whole House on the State of the Union.

Mr. BARING: Committee on Interior and Insular Affairs. H.R. 8372. A bill to authorize the States of North Dakota, South Dakota, Montana, and Washington to use the income from certain lands for the construction of facilities for State charitable, education, penal, and reformatory institutions (Rept. No. 356). Referred to the Committee of the Whole House on the State of the Union.

Mr. PEPPER: Committee on Rules. House Resolution 509. Resolution providing for the consideration of H.R. 8, a bill to amend the Internal Security Act of 1950 (Rept. No. 357). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 510. Resolution providing for the consideration of H.R. 10480, a bill to prohibit desecration of the flag, and for other purposes (Rept. No. 358). Referred to the House Calendar.

Mr. GARMATZ: Committee on Merchant Marine and Fisheries. H.R. 480. A bill to amend the act of October 4, 1961, relating to the acquisition of wet lands for conservation of migratory waterfowl, to extend for an additional 8 years the period during which funds may be appropriated under that act, and for other purposes (Rept. No. 359). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARMATZ: Committee on Merchant Marine and Fisheries. H.R. 482. A bill to amend the act of March 16, 1954, relating to hunting stamps for the taking of migra-

tory waterfowl, to require a hunting stamp for the taking of any other migratory bird, and for other purposes; with amendment (Rept. No. 360). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLMER: Committee on Rules. House Resolution 511. Resolution providing for the consideration of House Joint Resolution 559, joint resolution to provide for the settlement of the labor dispute between certain carriers by railroad and certain of their employees (Rept. No. 361). Referred to the House Calendar.

Mr. FASCELL: Committee on Foreign Affairs. Report entitled "Modern Communications and Foreign Policy" (Rept. No. 362). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 2532. A bill to provide for the disposition of funds appropriated to to pay a judgment in favor of the Ottawa Tribe of Oklahoma in docket No. 303 of the Indian Claims Commission, and for other purposes; with amendment (Rept. No. 363). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Dakota:

H.R. 10770. A bill to reclassify certain position in the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BIESTER:

H.R. 10771. A bill to provide compensation to survivors of local law enforcement officers killed while apprehending persons for committing Federal crimes; to the Committee on the Judiciary.

By Mr. CAHILL:

H.R. 10772. A bill to amend the Federal Power Act to facilitate the provision of reliable, abundant, and economical electric power supply by strengthening existing mechanisms for coordination of electric utility systems and encouraging the installation and use of the products of advancing technology with due regard for the proper conservation of scenic and other natural resources; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER:

H.R. 10773. A bill to amend section 1730 of title 18, United States Code, to permit the uniform or badge of the letter-carrier branch of the postal service to be worn in theatrical, television, or motion-picture productions under certain circumstances; to the Committee on the Judiciary.

By Mr. CURTIS:

H.R. 10774. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. EILBERG:

H.R. 10775. A bill to expand the definition of deductible moving expenses incurred by an employee; to the Committee on Ways and Means.

By Mr. FISHER:

H.R. 10776. A bill to provide additional benefits for optometry officers of the uniformed services; to the Committee on Armed Services.

By Mr. HALPERN:

H.R. 10777. A bill to amend title 35 of the United States Code to provide for compulsory licensing of prescription drug patents; to the Committee on the Judiciary.

By Mr. HARDY:

H.R. 10778. A bill to amend the National Security Act of 1947, as amended; to the Committee on Armed Services.

By Mr. RODINO:

H.R. 10779. A bill to amend the Federal Power Act to facilitate the provision of reliable, abundant and economical electric power supply, by strengthening existing mechanisms for coordination of electric utility systems and encouraging the installation and use of the products of advancing technology with due regard for the proper conservation of scenic and other natural resources; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Florida:

H.R. 10780. A bill to amend the Public Health Service Act to provide for the establishment of a National Eye Institute in the National Institutes of Health; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas (by request):

H.R. 10781. A bill to amend title 38 of the United States Code with respect to the termination of pension of certain veterans being furnished hospital treatment or institutional or domiciliary care by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. ULLMAN:

H.R. 10782. A bill to amend the Tariff Schedules of the United States with respect to the rate of duty on whole skins of mink, whether or not dressed; to the Committee on Ways and Means.

By Mr. WHITENER (for himself, Mr. MCMILLAN, Mr. ABERNETHY, Mr. DOWDY, Mr. SISK, Mr. HAGAN, Mr. FUQUA, Mr. WALKER, Mr. NELSEN, Mr. SPRINGER, Mr. HARSHA, Mr. BROYHILL of Virginia, Mr. WINN, Mr. ZWACH, and Mr. STEIGER of Arizona):

H.R. 10783. A bill relating to crime and criminal procedure in the District of Columbia; to the Committee on the District of Columbia.

By Mr. DIGGS:

H.R. 10784. A bill to abolish the death penalty under all laws of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. GARDNER:

H.R. 10785. A bill to amend title 28 of the United States Code, "Judiciary and Judical Procedure," and incorporate therein provisions relating to the U.S. Labor Court, and for other purposes; to the Committee on the Judiciary.

H.R. 10786. A bill to amend title II of the Social Security Act to provide an 8-percent, across-the-board increase, with subsequent cost-of-living increases, and to increase the amount an individual is permitted to earn without loss of benefits; to the Committee on Ways and Means.

By Mr. HORTON:

H.R. 10787. A bill to amend title II of the Social Security Act to eliminate the 6-month waiting period for disability insurance benefits in cases of blindness or loss of limb and in certain other cases where the severity of the impairment is immediately determinable; to the Committee on Ways and Means.

By Mr. MURPHY of New York:

H.R. 10788. A bill to assist State and local governments in reducing the incidence of crime, to increase the effectiveness, fairness, and coordination of law enforcement and criminal justice systems at all levels of government, and for other purposes; to the Committee on the Judiciary.

By Mr. PRYOR, Mr. BEVILL, Mr. BRINKLEY, Mr. BLANTON, Mr. BRASCO, Mr. EILBERG, Mr. GALIFIANAKIS, Mr. KYROS, Mr. MONTGOMERY, Mr. NICHOLS, Mr. RARICK, Mr. STUCKEY, and Mr. TIERNAN:

H.R. 10789. A bill to establish the Government Program Evaluation Commission; to the Committee on Government Operations.

By Mr. ROGERS of Florida (for himself and Mr. JARMAN):

H.R. 10790. A bill to amend the Public Health Service Act to provide for the protection of the public health from radiation emissions from electronic products; to the Committee on Interstate and Foreign Commerce.

By Mr. DOLE:

H.R. 10791. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income amounts received for additional living expenses arising out of a casualty loss to the residence of the taxpayer and paid pursuant to a policy insuring such residence; to the Committee on Ways and Means.

By Mr. HAGAN:

H.R. 10792. A bill to regulate imports of milk and dairy products, and for other purposes; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 10793. A bill to establish the Government Program Evaluation Commission; to the Committee on Government Operations.

By Mr. JOHNSON of California:

H.R. 10794. A bill to extend the provisions of the act of October 23, 1962, relating to relief for occupants of certain unpatented mining claims; to the Committee on Interior and Insular Affairs.

By Mr. LONG of Louisiana:

H.R. 10795. A bill to designate the Alexandria National Cemetery, Pineville, La., as the Pineville National Cemetery; to the Committee on Interior and Insular Affairs.

By Mr. O'NEILL of Massachusetts (for himself and Mr. CLEVELAND):

H.R. 10796. A bill to authorize the Secretary of the Interior to establish the Bunker Hill National Historic Site in the city of Boston, Mass., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BELL:

H.J. Res. 620. Joint resolution concerning a national education policy; to the Committee on Education and Labor.

By Mr. CUNNINGHAM:

H.J. Res. 621. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. HATHAWAY:

H.J. Res. 622. Joint resolution to authorize the President to issue annually a proclamation designating the 7-day period beginning October 2 and ending October 8 of each year as Spring Garden Planting Week; to the Committee on the Judiciary.

By Mr. KARTH:

H.J. Res. 623. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H.J. Res. 624. Joint resolution creating a Joint Committee To Investigate Crime; to the Committee on Rules.

By Mr. CHARLES H. WILSON:

H.J. Res. 625. Joint resolution creating a Joint Committee To Investigate Crime; to the Committee on Rules.

By Mrs. HANSEN of Washington:

H.J. Res. 626. Joint resolution creating a Joint Committee To Investigate Crime; to the Committee on Rules.

By Mr. McMILLAN:

H. Res. 512. Resolution expressing the disapproval of the House of Representatives of Reorganization Plan No. 3; to the Committee on Government Operations.

By Mr. PHILBIN:

H. Res. 513. Resolution extending greetings and felicitations of the House of Representatives to the people of Hubbardston, Mass., on the occasion of the 200th anniversary of their community; to the Committee on the Judiciary.

By Mr. SISK:

H. Res. 514. Resolution to create a select committee to regulate parking on the House side of the Capitol; to the Committee on Rules.

By Mr. BROYHILL of Virginia:

H. Res. 515. Resolution expressing the dis-

approval of the House of Representatives of Reorganization Plan No. 3; to the Committee on Government Operations.

By Mr. HORTON:

H. Res. 516. Resolution expressing the sense of the House that certain social security and railroad retirement benefits shall not be made subject to Federal income taxes; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII,

237. The SPEAKER presented a memorial of the Legislature of the State of Pennsylvania, relative to desecration of the U.S. flag, which was referred to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAMS:

H.R. 10797. A bill for the relief of Evelina D. Ocampo; to the Committee on the Judiciary.

By Mr. BURKE of Massachusetts:

H.R. 10798. A bill for the relief of Orsalina Leo; to the Committee on the Judiciary.

By Mr. FULTON of Tennessee:

H.R. 10799. A bill for the relief of Dr. Fausto Dimzon Garcia; to the Committee on the Judiciary.

By Mr. KUPFERMAN:

H.R. 10800. A bill for the relief of Overseas Barters, Inc.; to the Committee on the Judiciary.

H.R. 10801. A bill for the relief of Lydia Tababan; to the Committee on the Judiciary.

By Mr. KUPFERMAN (by request):

H.R. 10802. A bill for the relief of Numeriana S. Mojado; to the Committee on the Judiciary.

By Mrs. MINK:

H.R. 10803. A bill for the relief of Tran Van Nugyen; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H.R. 10804. A bill for the relief of Ioannis Foutris; to the Committee on the Judiciary.

SENATE

TUESDAY, JUNE 13, 1967

(Legislative day of Monday, June 12, 1967)

The Senate met at 10 o'clock a.m., on the expiration of the recess, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, this white altar reared at the gates of the morning speaks to us ever of our final reliance on those supreme spiritual forces, faith and hope and love, which alone abide and on which our salvation in the end depends.

Give us ears to hear above the noise of crashing systems, Thy voice in and through the change and confusion of our day, when, in a better order of human society, pity and plenty and laughter shall return to the common ways of man. Endow Thy servants in this national body with wisdom and purity in the ministry of public affairs. Make them worthy of the Nation's trust in these days so full of destiny.

May our individual lives be as lighted windows amid the encircling gloom. In this global contest beyond the light and darkness, make us as individuals the kind of persons which Thou canst use as the instruments of Thy purpose for all mankind.

Thus may we be—

"Done with lesser things
And give heart and mind and soul and strength,
To serve the King of Kings."

Amen.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1352) to authorize adjustments in the amount of outstanding silver certificates, and for other purposes.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the Journal of the proceedings of Monday, June 12, 1967, was approved.

THE DODD CENSURE RESOLUTION

The PRESIDENT pro tempore. Pursuant to the unanimous-consent agreement of May 19, 1967, the Chair now lays before the Senate, Senate Resolution 112, as the pending business, which the clerk will state by title.

The ASSISTANT LEGISLATIVE CLERK. Calendar No 186, Senate Resolution 112, relative to the censure of THOMAS J. DODD.

ABSENCE OF SENATORS

Mr. MANSFIELD. Mr. President, before I suggest the absence of a quorum—in accordance with the understanding of yesterday it will be a live quorum—I wish to announce to the Senate that the distinguished Senator from Hawaii [Mr. INOUYE] and the distinguished Senator from North Carolina [Mr. JORDAN] are both ill in the hospital and will not be able to attend.

Mr. DIRKSEN. Mr. President, three minority Senators will be unavoidably absent today, on official business.

Mr. MANSFIELD. Mr. President, two or three Democratic Senators, in addition to those mentioned, are unavoidably delayed but will be here.

CALL OF THE ROLL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

[No. 134 Leg.]

Aiken	Byrd, Va.	Eastland
Allott	Byrd, W. Va.	Ellender
Anderson	Cannon	Ervin
Baker	Carlson	Fannin
Bartlett	Church	Fong
Bayh	Clark	Fulbright
Bennett	Cooper	Gore
Bible	Cotton	Griffin
Boggs	Curtis	Gruening
Brewster	Dirksen	Hansen
Brooke	Dodd	Harris
Burdick	Dominick	Hart
Hatfield	McGovern	Ribicoff
Hayden	McIntyre	Russell
Hill	Metcalf	Scott
Holland	Miller	Smathers
Hollings	Mondale	Smith
Hruska	Monroney	Sparkman
Jackson	Montoya	Spong
Javits	Morse	Stennis
Jordan, Idaho	Morton	Symington
Kennedy, Mass.	Moss	Talmadge
Kennedy, N.Y.	Muskie	Thurmond
Kuchel	Nelson	Tower
Lausche	Pastore	Tydings
Long, Mo.	Pearson	Williams, N.J.
Long, La.	Pell	Williams, Del.
Mansfield	Percy	Yarborough
McCarthy	Prouty	Young, Ohio
McClellan	Proxmire	
McGee	Randolph	

Mr. LONG of Louisiana. I announce that the Senator from Washington [Mr. MAGNUSON] is absent on official business.

I further announce that the Senator from Hawaii [Mr. INOUYE] and the Senator from North Carolina [Mr. JORDAN] are absent because of illness.

I also announce that the Senator from Indiana [Mr. HARTKE] is necessarily absent.

Mr. KUCHEL. I announce that the Senator from New Jersey [Mr. CASE], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from South Dakota [Mr. MUNDT], the Senator from California [Mr. MURPHY], are necessarily absent.

The Senator from North Dakota [Mr. YOUNG] is absent on official business.

The PRESIDING OFFICER. A quorum is present.

PRIVILEGE OF THE FLOOR

Mr. BENNETT. Mr. President, since I must participate in this discussion as vice chairman of the committee, I ask unanimous consent that my administrative assistant, Tom Korologos, may sit with me during these deliberations on the floor of the Senate.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

Mr. STENNIS. Mr. President, it goes without saying that the committee considers, and I am sure Senator DODD considers, this a very serious and highly important matter. It is for that reason I express the strong desire, not only for the committee but also for the Senator from Connecticut, that a high attendance be had and that careful attention be given to all of those who present this matter to the Senate.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. STENNIS. Yes, I yield for a question.

Mr. LONG of Louisiana. Mr. President, I completely agree with what the Senator from Mississippi is saying. The Senate is sitting as a trial court and jury and no one has a right to vote in judgment on a case if he absents himself from the jury box while the case is being tried. I agree with the Senator and I compliment him.

Mr. STENNIS. I thank the Senator for his remarks.

Members of the Senate, let me quickly get to the way the committee feels and I feel about this matter in presenting it to the Senate. This matter is no longer in our hands. It is a matter before the Senate. It is resting in the bosom of the Senate, it is the pending business, and it is Senate business only.

I am going to ask that I not be re-

quested to yield until I have completed my remarks. Then, it will be a privilege to yield to any Senator who may wish to be recognized.

This matter involves a long and complicated set of facts. If the Senate is really going to grasp the fundamentals and the controlling facts, it is going to require a lot of attention on the part of the Senate, not only to the debate but also to the subject as a whole, although, with all deference, the matter boils down to a rather simple question in the end.

Let me state this with emphasis as to the overall nature of this charge. I shall not go into the sadness in anyone's heart in the situation with which we are confronted. I am sure that is shared by all Senators.

But the overall nature of this charge in the resolution is not a general condemnation of testimonial dinner as such. It does not base any charge against the Senator from Connecticut because of a testimonial dinner or any other kind of dinner—just the fact that it was held. The basis of the charge is on the use of the money collected. That is the sole basis of the charge.

There is no attempt to convict him of violating Federal law, Connecticut law, or any other law, or failing to pay income tax or failing to file a report. This goes solely to the use of the money. This is money collected under all the banners and trappings of campaign expenses, past or future, especially so far as the public was concerned, and then a great part of it was spent indiscriminately for personal use and personal debt. That is the basis of the charge.

The charge is not based upon one expenditure, or a few expenditures, and not on one matter which could have been an error. It is based on the fact that the practice happened over and over and over again, so much so, and over a long period of time, as to become a pattern of operation.

The words used in the charge itself are "course of conduct." It amounted to a course of conduct that was wrong on its face, and therefore brought the Senate into disrepute.

This morning, we propose to present the facts that we think overwhelmingly prove this conclusion. We do not think that this was refuted in the hearings, although we were hoping that it would. I do not believe it has been refuted yet, nor will it be refuted in this debate.

I want to say this, further, that I think we need not doubt every Senator will have an opportunity to pass on the essential questions and then vote either his approval or disapproval on this course of conduct.

I do not think this question will go off on a side issue by merely giving the committee instructions about what to do with reference to something else. We are going to present the issue involved, as we see it, to the Senate, and seek to get a decision from the Senate.

Mr. President, we are not prosecutors. We have not been. No man's case was ever heard with more unanimous personal sentiment for the man than this one. Thus, we are not prosecuting. It is our duty, however, to present this matter to the Senate and project what we believe to be the true situation.

I want to make a brief reference here to the power and authority of the Senate to pass on alleged misconduct of Members.

The Senate possesses two kinds of power, one supplementing the other, which relates to prescribing rules of conduct for its Members and the disciplining of Members for misconduct.

First, the Senate, being a sovereign and continuing body, has inherent power to insist upon and maintain moral and ethical standards in its own house. Second, it has express constitutional power to do so.

Article I, section 5, clause 1 of the Constitution provides:

> Each House shall be the judge of the elections, returns, and qualifications of its own Members . . .
>
> Each House may determine the rules of its proceedings, punish its Members for disorderly behavior, and with the concurrence of two-thirds, expel a Member.

Mr. President, addressing this question both to the Senate's inherent powers and express constitutional powers in these respects, the court held *In re Chapman* (1897), 166 U.S. 664, that in addition to the powers expressly given by article I, section 5, clauses 1 and 2 of the Constitution, that the Senate "necessarily possesses inherent power of self protection."

I am reading from the case:

> According to [the Senate's] resolution [to investigate charges of misconduct against certain Senators], the integrity and purity of the members of the Senate had been questioned in a manner calculated to destroy public confidence in the body, and in such respects as might subject members to censure or expulsion. The Senate, by the action taken, signifying its judgment that it was called upon to vindicate itself from aspersion and to deal with such of its members as might have been guilty of *misbehavior* and broad reproach upon it, *obviously had jurisdiction of the subject of the inquiry it directed* . . . . 41 L. ed. 1158.

Note that the court spoke of "misbehavior." It did not confine its holding to the constitutional phrase, "disorderly behavior."

I mention this merely in passing. I take it beyond all dispute that the Senate has full control of the situation.

What did the committee find the situation to be as to how the Senate has met this problem in the past?

By prescribing a whole lot of rules in advance? No.

That has not happened in almost 200 years of the Senate's existence. The Senate has never undertaken to reduce to writing the "shall nots" concerning a Senator's activities. Still, on several occasions, the Senate has censured its Members for conduct unbecoming a Member whenever that conduct reflected on the Senate.

We have no written rules for expelling a Member, and the question of expulsion is more grievous than the matter now before the Senate. There are no written rules—even though that has been done—for expulsion. There are also no written rules, gentlemen, for testing a person's right to take his seat in the Senate as a Member.

Senators may be surprised to know that there are a few provisions in the Corrupt Practices Act, enacted about 1926, which have some bearing upon that question. But there are no prescribed rules of conduct written out in advance that would affect a Senator in the matter of taking his seat. Still such proceedings of this kind have been instituted at least 150 times, and carried through to a decision in many of those cases during the history of the Senate.

I hold in my hand a memorandum from the Library of Congress, Legislative Reference Service, containing some research for the committee on this matter. I make this available to anyone who may contest the facts as I state them here.

I quote from a Senate document:

> The Senate has never perfected specific rules for challenging the right of claimant to serve, inasmuch as each case presents different facts. The practice has been to consider and act upon each case on its own merits, although some general principles have been evolved from the precedents established.
>
> Senate Election Cases from 1913 to 1940, Senate Document No. 147, 76th Congress, 3rd Session (1940).

One more statistic here. According to the count we made, the Senate having acted in 151 cases of election contests or misconduct, of these 19 appeared to involve misconduct. So the remaining 132 were probably election cases. Of these 19, five were conduct censure cases. Of the five, only one involved a regulation, law, or written rule.

So there is nothing novel about this particular situation which faces the Senate. Our major jurisprudence is based upon the unwritten rules of equity courts, which are courts of conscience, as we lawyers say. This case being presented is a matter of conscience, ethics, and conduct, pertaining not merely to one Senator, but to how it affects the Senate.

I shall proceed as rapidly as I can consistent with this subject matter. I am going to discuss it now largely from the report, copies of which are at the desks of Senators. I shall make repeated references to part 2 of the hearings, as printed, copies of which are also on the desks of Senators. Part 1 of those hearings related to what we call the Klein matter. That is not in issue here. No charges were preferred in connection with that part of the record.

Now, how did this matter originate and get to this committee. Members of the Senate? By the way, the statement I am now making is the first time I have talked about the merits of the case publicly since it started. I have discussed it with fellow members of the committee, but no one else. My statements have been confined to procedure. But here is the way the case came to this committee, after it broke in the newspapers. The first part of the case was the Klein matter, including the trip to Europe.

Senator DODD came to me and asked our committee to look into the matter of the Klein affair. Along about that time, and soon thereafter, the financial matters commenced breaking. Word was

already out about the 4,000 documents taken from Senator DODD's office.

Senator DODD and his group did submit information to us and cooperate with us on the Klein affair, all the way through; but as to these financial matters—I do not say this to discredit him—the committee developed them itself. I mentioned to Senator DODD, when these financial matters were breaking, whether or not he wanted to give us a statement about it. He properly said he would consider it, or words to that effect. I never did urge him to give us anything. I am a lawyer. I respect a man's rights. It had not developed fully, anyway.

When Mr. Sonnett came along, a very capable lawyer, and a fine gentleman, I discussed the matter with him and said, "Now, this financial matter looks serious and it is going to involve a lot of proof. I can see where it will race across the country to many banks. Do you want to consider some statement or stipulation?" Mr. Sonnett said he would look into it, which was a good answer. I never urged him. It went that way.

When we concluded the hearings on the Klein matter, I said to Mr. Sonnett "We need an answer. Are you going to submit anything on these finances?" He said, "I can't do it without waiving the question of jurisdiction." He contended strongly that the committee did not have jurisdiction to hear the financial matter.

By the way, something is going to be said about ex post facto. No objection was made to ex post facto in the Klein matter. One phrase would apply as well as the other.

So Mr. Sonnett gave me that reason. I thought it was a good one. I never mentioned it to him any more, that I recall, in the future. We had developed the facts. These facts came from all over the country.

I told the chief counsel to develop these financial facts. They got more and more involved. By the way, we were investigating a lot of other things at the same time. It did get so involved that we decided we had to select some one thing—not one thing, but a few things, anyway, as a matter of necessity. The financial matter was one thing. I told him, "You have to be thorough and complete. Bring in here whatever is favorable to the Senator from Connecticut and whatever is unfavorable. We want the whole thing."

I would not sign a subpena duces tecum until there was a written statement from the chief counsel telling what he wanted and what was the basis of his inquiry. We have those records in our files. I think it wound up that I signed 106, or something like that. That is the way we got the facts about the money.

When the evidence was all in, I still thought that with such a great volume, stipulations could be made which would save much time for everyone. Finally, the stipulations were agreed to 2 days before the hearing started by counsel for Senator DODD and counsel for the committee.

I told Senator DODD that almost the whole case was based upon those stipulations and the sworn testimony taken in Senator DODD's presence, with his attorney, and with the right of cross-examination. There also were some minor documents, which I shall identify in a few minutes. There is not one word of logic or truth in the claim about Senator DODD's not having had due process of law. He has had every fundamental right that American jurisprudence ever thought of, plus a lot more. We even gave him most of the expected testimony in advance—before the open hearings, at least. We gave him a statement of the panoramic view of the evidence, that I thought he was entitled to. So all the talk about a lack of due process of law was born later, although Mr. Sonnett vigorously challenged, as he should have done, the jurisdiction of the committee all the way through.

I shall return to the subject of due process of law in a minute. But I assure the Senate now that nothing was done without the utmost scrupulosity toward the Senator from Connecticut. Three members of the committee are lawyers; and the other members of the committee are men of good sense and good brains beyond the knowledge of most lawyers. I do not think there was any doubt about due process until the question was raised by someone else.

The whole matter is based upon the testimony of witnesses, stipulations, and about five other documents. Some news items were put in. The Sinclair affidavit was put in at Mr. Sonnett's request. Also, the Latex Co., $8,000 petty cash voucher was admitted.

Mr. President, I am going to take up the question of the testimonial dinners, or whatever they were called, somewhat in detail, because a pattern developed from those details. I will follow through from the records which disclose where the money went, how it was handled, and how it was used.

Incidentally, I should say that we have been extra careful for another reason. This is the first hearing to be held by this committee. It is the first report to be filed, and many precedents are set thereby. Each step of the proceedings and the authority therefor are documented for any Senator who is interested, beginning on page 9 and continuing through page 13 of the report. The report also describes the methods of investigation and the procedures followed. I do not think it is necessary to repeat them. The scope of the investigation is revealed by the following passage which appears on page 11 of the report:

> The information and financial data developed by these investigative processes formed the basis for substantially all of the factual matters contained in the stipulations of March 11 and 13, 1967.

That was this year, just before the hearings.

> During the investigation of this phase by the Committee, 105 interviews were conducted, 106 subpoenas duces tecum were served, and documents and statements were received from 174 organizations and persons.
>
> The investigation was conducted in Washington, D.C., New York, New York, Los Angeles, California, and at various locations in the state of Connecticut.

Senate Resolution 112 is the result of the conclusions of the committee after the hearings, based on the facts and a hearing of all the evidence.

Some preliminary hearings were held by a two-member subcommittee of the six-member committee. Testimony of some witnesses was taken in executive session without the Senator from Connecticut or his lawyer—either of them—being present; but none of that testimony was used—not any of it, for any purpose, except to find out, after all, what, if anything, the witnesses knew, and to have some idea of their credibility, reliability, background, and attitude toward testifying.

We used it for that a little, not much. But not one scintilla of it was used otherwise. All the testimony, as I have said, was heard as I have already related.

It is a little repetitious, but I will state again:

> The gravamen of this resolution is that the Senator from Connecticut engaged in a course of conduct, over a period of years, of converting to his own personal and private use large sums of money which he had obtained from the public under circumstances that amounted to representations that it would be used for political purposes. Such a course of conduct further encompasses the collection of money from both the Senate and from private organizations for the same travel. All of these activities were undertaken while the Senator was a Member of the Senate, and with the prestige, influence, and position in society and in Congress that goes with this office.

These fundraising events we touched on were seven in number. Seven fundraising events and a campaign for reelection to the Senate were conducted under the tacit control of the Senator from Connecticut. I examine these facts, now, going back to 1961, one at a time, as summarized on page 14 and the first paragraph of page 15 of the report, which constitute a succinct statement of the facts. I read therefrom as follows:

> A fund-raising dinner was held for Senator Thomas J. Dodd in Hartford, Connecticut, on November 20, 1961. The fifteen honorary guests were all prominent members of Senator Dodd's political party, including the then Vice President of the United States, Lyndon B. Johnson.

Those matters are pertinent to show the political nature of this entire undertaking so far as the public was concerned, and so far as the announcements that were made.

> Matthew Moriarty, a businessman of Manchester, Connecticut, was the Chairman. Arthur Powers, a businessman and First Selectman of Berlin, Connecticut, was the Treasurer. Edward Sullivan, a member of Senator Dodd's Hartford office staff, was the business manager and handled the details of the dinner. Sullivan kept the funds and the financial accounts of the dinner.
>
> A letter of invitation to the dinner accompanied by a return address envelope soliciting contributions was prepared and mailed by Powers. The return envelope was addressed to Senator Dodd's Hartford P.O. Box and all funds were collected by Sullivan. Neither the letter nor the return envelope disclosed the intended use of the dinner proceeds.
>
> Moriarty, Powers and Sullivan testified that the dinner was organized to raise funds for Senator Dodd's personal use, although Powers was quoted by the press at the time of the dinner as saying the proceeds were to be used to pay off campaign deficits.

That was the general pattern that we found. These men who helped out—Moriarty, Powers, Sullivan, and some others we will come to—all testified that they understood that this money was for personal use. However, they are contradicted on all sides by circumstances, and in some cases by quotations from their own statements.

James Boyd, a former Administrative Assistant to Senator Dodd, testified that Senator Dodd told him that the funds were to be used to retire the previous campaign deficit, and that he stated that purpose in arranging for Vice President Johnson's appearance. Recently President Johnson stated publicly that he never knew that any dinner he attended was to raise funds for anyone's personal use.

That quotation is found at page 893 of the hearings.

Five newspaper articles in Connecticut at the time of the dinner referred to it as a testimonial event without stating the purpose for the use of the proceeds. Two newspapers reported that the proceeds of the dinner were to be used to help clear up a deficit from the 1958 election campaign. Form affidavits from about 123 persons attending the 1961 dinner indicated that they contributed money for Senator Dodd's personal use. Newspaper reports indicate 700 persons attended. Boyd and O'Hare, former members of Senator Dodd's staff, testified that Senator Dodd, Sullivan and two other Senate staff employees, James Gartland and George Gildea, were the primary organizers of the dinner. Moriarty stated he had nothing to do with arrangements for the dinner but tried to sell as many tickets as possible. Powers testified that the dinner was organized by several friends of Senator Dodd and several staff members. Although he was Treasurer, he testified that he did not handle funds or know how much money was raised.

The gross receipts of the 1961 dinner were at least $64,245, and the net receipts, after payment of expenses of the dinner were at least $56,110. The net receipts were deposited in Senator Dodd's personal account—

This was 1961—

in the Riggs National Bank in Washington, D.C., and mingled with his personal funds. From these funds, Senator Dodd repaid $23,000 on a loan from the Federation Bank and Trust Company, originally borrowed in December 1958. Senator Dodd stated that this and other loans were for "political-personal" purposes.

O'Hare testified that the remaining funds, amounting to $33,110, were used for general, household, and personal expenses. O'Hare was the bookkeeper in Senator DODD's office. This testimony was not contradicted. Because records detailing the $33,000 were not retained by the bank, the committee could not trace these payments any further.

That was not the case with many of these funds; but, as to that one amount, that is as far as the committee could go for the reasons that I have stated.

Whatever we found, be it in favor of Senator DODD or not, we brought in that information on those matters.

I read now from page 853 of the printed hearings, part 2, the controlling parts of the stipulation:

It is hereby stipulated and agreed, by and between the parties hereto, the Select Committee on Standards and Conduct of the United States Senate (the "Committee") and Senator Thomas J. Dodd of Connecticut, through the undersigned, their respective attorneys, that the following facts are true and that the Committee may so find; provided, however, that this stipulation shall not constitute a concession by Senator Dodd that the Committee was empowered by Senate Resolution 338 of the 88th Congress to investigate the matters covered in paragraphs 1 through 87 herein and shall be without prejudice to the rights of either the Committee or Senator Dodd to introduce other and further evidence not inconsistent with the facts herein stipulated or to object to the relevance or materiality of any facts herein stipulated.

I read that to refresh the memory of Senators because it has a direct bearing on the matter from here on out. In the law, or anywhere else, when people stipulate that facts are true and may be introduced in evidence and considered by the tribunal holding the hearing, it means exactly what it says: that they are agreed to as facts in the case. Otherwise, it would be an idle gesture to fool with such a thing.

That is exactly what it means here. It means that in laymen's dealings with one another. It means that in the Senate or in court or anywhere else.

Proceeding now further, from page 854 of the hearings with reference to the same matter, the stipulation reads:

The total amount of $64,245 from the contributions to the 1961 dinner was deposited in Testimonial Account No. 1. These deposits were made during the period from October 1961 to February 1962.

I continue to read:

The expenses of the 1961 dinner, amounting to $8,134.61 were paid from Testimonial Account No. 1.

The remaining funds in Testimonial Account No. 1 amounting to about $56,110.39, were transferred as follows:

This is repetition, but I want to show clearly that these facts come from the stipulation and not just the report.

I continue to read:

The remaining funds in Testimonial Account No. 1 amounting to about $56,110.39, were transferred as follows:

The amount of $35,000 to the bank account of "Hon. Thomas J. Dodd &/or Mrs. Grace M. Dodd" (hereinafter called the "Personal Account") at the Riggs National Bank, Washington, D.C., about November 22, 1961.

The amount of $20,915.72 to the Personal Account at the Riggs National Bank, Washington, D.C., about January 15, 1962.

The amount of $194.67 to Senator Dodd about January 8, 1963.

On November 27, 1961, $23,000 from the funds deposited in the Personal Account at the Riggs National Bank was used to repay, in part, a loan of $25,000 to Senator Dodd from the Federation Bank & Trust Co., New York, N.Y., made on December 23, 1958.

That illustrates that we traced those funds when we could and tied them in with whatever the facts showed.

Senator DODD testified, I ought to say here with emphasis, that there was not any question in his mind that he had the right to use the proceeds of the 1961 dinner for his personal use. I believe I have already said that Moriarity, Powers, and Sullivan all testified that the money to be collected was to be used for private purposes, but they did not inform the public of this fact in any way.

All the way through, Members of the Senate, the message relating to the personal use of funds was from some oral statement that someone made. The public never was told that this money was anything except political money—that is, money for past campaigns or future campaigns.

The proof in that respect will grow as these different accounts are merged. The pattern already emerges of the collection of the funds ostensibly for political use, but later some of the funds were diverted for personal and private use. That indicates a course of action.

I pass to the 1963 District of Columbia reception. The facts regarding that reception are set forth here on page 15 of the report. I read from page 15 of the report, as follows:

A fund-raising reception was held for Senator Thomas J. Dodd in Washington, D.C., on September 15, 1963. Former Postmaster General J. Edward Day was the Honorary Chairman, and James Gartland, Administrative Assistant to Senator Dodd, was the Vice Chairman (pp. 650, 898, 899, Hgs.). Sanford Bomstein, a Washington businessman, was the Treasurer until the reception. Michael V. O'Hare, Senator Dodd's bookkeeper, was the Treasurer following the reception. Robert Shaine, a professional fund-raiser, from New Hampshire, was hired by Senator Dodd to solicit contributions to the reception. Others involved in planning or conducting the reception were George Gildea, a member of the staff of the Subcommittee to Investigate Juvenile Delinquency; James Boyd, Senator Dodd's then Administrative Assistant; Elizabeth McGill, a secretary on the staff of the Subcommittee to Investigate Juvenile Delinquency; "Mattie" Matthews and Joe Mills, of the staff of the Democratic Senatorial Campaign Committee; Joe Barr, Washington representative of United Aircraft Corporation; and Jack Fleischer, a former member of Senator Dodd's staff.

That is not the Mr. Joe Barr who is connected with the Treasury.

I emphasize the foregoing to show that the committee found these fundraising events were just wrapped up in political figures and political leaders, not only in Connecticut, but also here in Washington.

An added feature involved in the District of Columbia reception was that Robert Shaine, a professional fundraiser, organizer, or contribution seeker, was employed by Senator DODD. He was paid a rather modest sum for that service.

As indicated on the preceding page, Boyd also testified that he worked with Shaine in organizing the reception and that he provided Shaine with help.

It was stipulated in paragraph 22, of page 856 of the printed hearings, and I call this to the attention of the Senate that:

David Nichols, a Certified Public Accountant employed to audit the affairs of Senator Dodd for the purpose of preparing his Federal income tax return, informed Senator Dodd in early 1964 that the $6,000 referred to in subparagraph 20(c) above, should be treated as a loan from a campaign fund to Senator Dodd unless Senator Dodd considered it to be income to him. Senator Dodd agreed to treat it as a loan from a campaign fund.

Gentlemen, that is a rather significant fact. Here is a Senator employing a certified public accountant to audit and prepare his Federal income tax return. The certified public accountant runs into a $6,000 item that has been used from the political fund.

According to the stipulation, which was agreed to by Senator DODD, the CPA was saying, in effect:

Now, listen. You will have to pay income tax on this if you are going to use it for a personal matter—either that, or treat it as a loan.

So, it was treated as a loan.

Sworn testimony of Senator DODD was also received on this point in open hearings and is summarized as follows in the middle of page 16 of the report:

Senator Dodd testified that he considered the reception proceeds to be his personal funds but acknowledged that he borrowed six thousands dollars from the proceeds—

Of this sum of money—

to pay his personal income tax and treated it as a loan from a campaign fund.

I do not wish to be severe on anyone, but facts are facts. This is an instance in which $6,000 of this political money, from this dinner, was used to pay income tax. I do not know of anything more personal than income tax. Senator DODD later repaid that loan.

Mr. Bomstein and others maintained that the funds from the District of Columbia reception were collected for personal use, but again the public was not told of this intention. A letter reminder was sent to the invitees which did not state any purpose for the event. No other letters of invitation or solicitation were found or offered in evidence.

So there was just silence as to the use of the funds so far as the notices and the letter were concerned. But it was wrapped from toe to top in political celebrities and political activities.

I read from page 16 of the report:

The gross proceeds of the D.C. reception were $13,770 and the net proceeds were $12,805. The use of the proceeds from the D.C. reception is set forth on pages 855, 856, and 897 of the printed hearings.

The disposition of those proceeds are in the stipulations—page 855—and that is where it shows up that one of those items—and I am referring to paragraph (a), at the bottom of page 855—about $750 in cash, was used by Senator DODD to repay in part a loan of $5,000 from Mr. Bomstein to Senator DODD, made on September 4, 1958.

(b) $4,387.43 was used in October and November, 1963, to pay the expenses of Senator Dodd as described in Appendix 10 attached hereto.

Now, please turn to page 897 of the hearings. These are not great sums of money, Members of the Senate, but here is this pattern now rushing forward even more rapidly than heretofore.

Page 897 of the hearings, appendix 10, is part of the stipulation agreed to. It shows the disposition of $4,387.43 of the proceeds of the District of Columbia reception. It is itemized, and you see that some of the money, $116.70, was used for the purchase of football tickets, $6 for the purchase of flowers. I mention just a few of these items. Some are typical: $82.32 to Congressional Country Club, Inc., May–August 1963, house charges.

Go down the line, and you will find $60 for limousine services; Diplomat Motel, $20, motel accommodations for John Turco and party. Down further, ball game tickets, $90.40; Schneider's Liquor Store, $181.18.

Other items are referred to on page 856 of the hearings, which is where the $6,000 shows up:

(c) $6,000 was transferred to the Personal Account at the Riggs National Bank, Washington, D.C., on or about October 3, 1963.

(d) $1,567.13 was transferred to a bank account entitled "Testimonial for U.S. Senator Thomas J. Dodd . . ."

The sum of $100 remained in the account.

That was the loan to Senator DODD as it appeared in the account, and he did pay back that loan. I want to make that clear. He did pay back the $6,000. As I recall, he borrowed money and then repaid the loan.

The stipulation by Senator DODD confirms the testimony of the other witnesses that a substantial part of the money from the 1963 District of Columbia reception was used for personal purposes. Senator DODD's testimony does not claim that the public was advised or that he thought they were advised of the planned personal use of these proceeds.

This is step 2, then, of a pattern that emerges as the course of conduct referred to in the resolution. While claiming that the proceeds of the District of Columbia reception were a gift to him to use for private purposes, nevertheless, when this matter came up from his auditor, that situation was then shifted, and he treated the loan as one from a campaign fund.

Now I move forward rapidly until the October 1963 Connecticut events. These were four events, all held on the same day, preceding the 1964 campaign. They were called the Hartford breakfast, the Woodbridge luncheon, the Fairfield reception, and the Bridgeport dinner. The four events were managed by different persons. I will read, therefore, some of the details, because these events involved different people.

The business manager of the Hartford breakfast was Edward Sullivan, of Senator DODD's office staff. Matthew Moriarty, was treasurer of the breakfast. Both Moriarty and Sullivan testified that the funds were raised for Senator DODD's personal use.

A solicitation letter for the breakfast, over Moriarty's signature, was mailed with a return-address envelope enclosed. Neither the letter nor the envelope stated the intended purpose for which the funds were to be used. The return envelopes were addressed to Senator DODD's Hartford office post office box. Although Moriarty was the treasurer, all receipts were received and handled by Sullivan. The honorary guests at the breakfast were all prominent members of Senator DODD's political party. Some of the proceeds of the Hartford breakfast and the Woodbridge luncheon—$31,040—were deposited in the "Testimonial for U.S. Senator Thomas J. Dodd" bank account.

On the same day, the Woodbridge luncheon was held at the home of Connecticut State Senator Gloria Schaeffer. James Gartland, of Senator DODD's staff, was in charge of arrangements for the luncheon. The net proceeds of the luncheon were sent to Sullivan, who deposited them in the same account.

The Fairfield reception was held at the home of Archie Perry, in Fairfield. The Bridgeport dinner was held at the Stratfield Motor Inn.

Paul McNamara, a lawyer and 1958 election campaign manager for Senator DODD, managed both of these events. McNamara did not recall who recruited him to act as manager.

McNamara testified of his concern for Senator DODD's personal financial problems and stated that the events were intended to raise funds for Senator DODD's personal use. McNamara did not know the nature or the extent of Senator DODD's indebtedness. Two letters of solicitation were written by McNamara, and both specifically requested contributions for Senator DODD's 1964 campaign.

Those letters appear on pages 911 and 912 of the hearings, and the letters contradict squarely the testimony of this witness.

McNamara acknowledged the letters and stated that he made additional solicitations by phone and always spoke of Senator DODD's dire financial problems. McNamara handled all of the funds for these two affairs and, after paying $4,886 for the dinner expenses forwarded proceeds amounting to $10,069 to Senator DODD. The proceeds were then deposited in the "Testimonial for U.S. Senator Thomas J. Dodd" account. McNamara retained about $750 in cash from the contributions to the dinner, at Senator DODD's direction, as repayment, in part, of a loan from McNamara to Senator DODD in about September 1958.

Now, in general, as to the nature of these meetings, the then Vice President of the United States, Lyndon B. Johnson, was the featured guest at each of the four foregoing events. Newspaper reports in Connecticut and New York at the time of the October 1963 Connecticut events uniformally reported that their purpose was to raise funds for Senator DODD's 1964 reelection campaign.

James Boyd testified that he was involved in negotiating Vice President Johnson's appearance at the October 1963 Connecticut events. He testified further that in dealing with Ivan Sinclair on Vice President Johnson's staff, he was asked for the purpose of the dinner and that he, therefore, asked Senator DODD for a reply. Boyd testified that Senator DODD was upset with the question but told Boyd to tell Sinclair that the events were to raise money for Senator DODD's campaign starting the next fall. Boyd gave that information to Sinclair and said he believed that a letter confirming the conversation was written for Senator DODD's signature.

Ivan Sinclair testified that he recalled conversations with Boyd concerning then Vice President Johnson's attendance at the October 1963 Connecticut events, but did not recall whether the purpose of the fundraising events was for Senator DODD's 1964 political campaign. An affidavit of Sinclair, dated February 21, 1967, stated that on the basis of conversations with two members of Senator DODD's staff and from the circumstances

of the events, the "declared purpose of Dodd Day was to raise funds for Senator DODD's forthcoming 1964 campaign for reelection to the Senate." Sinclair testified that his affidavit was signed without duress and that it was in his possession for 6 weeks before he signed it, but that he had not studied it as closely as he should have.

In other words, this man modified his testimony from the opening testimony and from the affidavit he had given. I elaborate on that and I bring it out here because I think it should be brought out. The whole tenor, the whole tone, the whole trappings and wrappings of these events was that this money was for political purposes. It does show, too, that the Senator from Connecticut and several members of his office staff planned to give and conducted each of these last four fundraising affairs. No public notice of any kind was ever given to the average contributor that these funds would be put to private use. I must move along.

Here is a brief comment about the 1964 political campaign. The finances of the 1964 political campaign are briefly described as tabulated on page 19 of the report. If Senators will turn to that page, they will see the amounts and the total. I do not think it is necessary to dwell on that matter except in this respect. The campaign contributions deposited in the "Testimonial for U.S. Senator Thomas J. Dodd" account, amounting to $85,818, were mingled with the proceeds of the October 1963 Connecticut events and the 1965 dinner.

In other words, there was a dinner in 1965 and these Connecticut events in October 1963 and the 1964 campaign proper political fund was raised in the meantime between the two. Out of this 1964 campaign fund $85,000 was mingled into the testimonial bank account that was also taking care of the money for these other meetings.

The disposition of these funds is described on pages 22 and 23 of the report. The remaining campaign contributions, amounting to $160,472, were transferred or dispersed as described in testimony and on pages 857–859, 938, 939, and 951–957 of the printed hearings. I refer to those matters to show a connecting link.

Then, we come to the 1965 dinner. The 1965 fundraising dinner was held for Senator DODD in Connecticut on March 6, 1965. As a preface to that matter, the committee attempted to determine the deficit of Senator DODD's 1964 campaign. We had witnesses who testified on that. All of them said—and this included Moriarity and that group—that the amount was $6,000, $7,000, or $8,000. The report filed in Connecticut showed $6,600 was the deficit for the 1964 campaign. This next fundraising dinner was held for Senator DODD in 1965. The honored guests were all prominent members of Senator DODD's political party. Arthur Barbieri, Democratic town chairman for New Haven was the chairman. Matthew Moriarty, a businessman of Manchester, Conn., was the treasurer. Edward Sullivan of Senator DODD's Hartford office, handled all the finances for the dinner. Vice President HUBERT H. HUMPHREY was the featured speaker at the dinner. A payment of $7,500 was made to the Democratic National Committee from the dinner proceeds for his appearance. This dinner again was wrapped from toe to top again in political trimmings of all kinds.

Barbieri testified that the dinner grew out of a conversation between Barbieri and James Gartland, Senator DODD's administrative assistant.

Barbieri said the idea was conceived in mid-December 1964, and he then invited persons to attend a meeting at the Statler Hilton in Hartford, where he was selected chairman. The meeting to organize the dinner was held on December 19, 1964, at the Statler Hilton, and at that time the decision was made to hold a dinner for Senator DODD.

Sullivan, Moriarty, and Barbieri all testified that the dinner was for the purpose of raising funds for Senator DODD's personal use.

Two solicitation letters from Barbieri for funds for the dinner were introduced in evidence. They appear on page 970 and page 1118 of the printed hearings. On page 970 there appears the Barbieri letter dated February 3, 1965, and which refers to the preceding 1964 campaign. It was sent out to invitees to the dinner. The letter stated:

> The result justified the efforts and the expense, but a considerable deficit was incurred and must be met.

It stated that a testimonial dinner would be held at the Statler Hilton Hotel in Hartford, Conn., on Saturday, March 6. It further stated:

> This affair will celebrate his record-breaking majority and assist in meeting the campaign deficit.

That letter was dated February 3, 1965. The other letter is on page 1118 of the printed hearings. It announces that the Vice President would be there, and it makes no mention of what would be done with the money.

Another letter, dated December 30, 1964, was sent by Barbieri, as a political leader, to members of his political party requesting them to serve on the dinner committee. The first solicitation letter, dated February 3, 1965, was sent to a "great number" of persons throughout Connecticut requesting their participation, as I said, to assist in meeting the campaign deficit. A return envelope was attached to the letter with the return address of Senator DODD's Hartford office.

Newspapers in Connecticut at the time of the event uninformally reported the purpose of the dinner was to pay off Senator DODD's 1964 campaign deficit.

Form affidavits of about 300 persons who attended the 1965 dinner indicated that they contributed money for Senator DODD's personal use. Approximately 1,000 persons attended the dinner, according to newspaper reports.

Moriarty, the dinner treasurer, testified he did not handle funds nor know the amount of money raised nor how it was spent. Sullivan received and controlled all funds for the dinner.

The proceeds from the 1965 dinner, amounting to $79,223, were deposited in the "Testimonial for U.S. Senator Thomas J. Dodd" account and mingled with the proceeds of the October 1963 Connecticut events and 1964 campaign contributions. The disposition of these funds is described on pages 22 and 23. I am going to say something additional about the disposition of these funds but at this time I will move on to additional facts. As to what became of the money, that will be covered later. In addition to these facts, the committee received testimony that the principal solicitation letter was written by a member of Senator DODD's staff. Finally, not one printed invitation, ticket, program, or other communication relating to this dinner informed the public—I repeat, the public—that the funds were to be used for personal purposes.

Moving on to something more about this account, under the heading "Testimonial for U.S. Senator DODD's Bank Account," most of the proceeds of the four consecutive Connecticut events, the 1964 political campaign, and the 1965 dinner, were deposited in his account. The disposition of those funds is shown on pages 22 and 23 of the report.

I want to mention Mr. Sullivan here, to the Members of the Senate. This gentleman was a member of Senator DODD's staff. He was not offered as a witness by the committee. He was not offered as a witness by Senator DODD. The committee felt that he had so much to do with these funds that his testimony should be brought before the Senate. He was unable, at that time, to come here. So a deposition was taken. That deposition is in the record here, and is so marked.

I am continuing to read from page 22 of the report:

> Sullivan testified that he used the Testimonial account for testimonial and campaign money and did not distinguish between deposits of campaign receipts or fund-raising proceeds.

That is an additional part of the picture, Members of the Senate, indicating the same trend, the same pattern, the same habit, the same custom, over and over and over again.

As I say, the committee took Sullivan's deposition, not knowing what he was going to say. We felt that he should testify. He said he put the money all in the same account—testimonial dinners, regular campaigns—everything else.

Continuing to read from page 22 of the report:

> Between October 1963 and February 1964, $41,109 from the proceeds of the four October 1963 Connecticut events were deposited in the account; between March 1964 and January 1965, $85,818 from contributions to Senator Dodd's 1964 reelection campaign were deposited in the account; between January 1965 and April 1965, $79,223 from the contributions to the 1965 dinner were deposited in the account; between October and December 1964, $22,593 in net transfers from campaign funds were deposited in the account; and in December 1963, $1,567 from the proceeds of the D.C. reception were deposited in the account. All of these funds were mingled in the account and were spent without differentiating between personal and political expenses.

The latter remark comes from Mr. Sullivan's testimony. That is not the committee speaking. That is not the discharged employees speaking. That is not the people who took letters out of the files speaking. That is Mr. Sullivan speaking.

Of course, that hearing was like any proper deposition hearing. Lawyers representing Senator DODD were present.

Continuing to read from page 22 of the report:

From this composite fund, totaling $230,310, the amount of $94,870 was transferred to Senator Dodd's personal account at the Federation Bank and Trust Company in New York, New York, and used to repay loans and for other purposes disclosed by the evidence.

It was admitted by Senator Dodd that $9,480 from these funds was used for improvements to Senator Dodd's home in North Stonington, Connecticut, and $4,900 was transferred to his son, Jeremy (p. 862, Hgs.).

The last statement is part of the stipulations. These references above which I have just read, about these funds can be found too, in the stipulations. Those stipulations, by the way, begin on page 853.

Continuing reading from pages 22 and 23 of the report:

It was further stipulated that $28,588 of loans which were originally used directly or indirectly to pay personal income tax for Senator Dodd were repaid from these funds.

Senator Dodd testified that an additional $5,000 from the funds in the Federation account was used to repay a loan taken out during the 1958 campaign and used for political purposes. An additional loan, originally taken out in 1964, which was repaid from the Federation account, in the amount of $1,750, was used to pay for work on a political document. Three additional loans taken out by Senator Dodd during and immediately prior to the 1958 campaign, totaling $18,500, were used for "personal-political" purposes according to Senator Dodd.

I will refer to Senator DODD's testimony later, in particular; but his testimony in explaining this money—when he testified before us—did not go much further than merely saying it was for personal-political purposes, by which I understand he means—of course he is speaking for himself now—that he considered all these expenses to be political which they may not seem to others.

Continuing reading from page 23 of the report:

Repayments amounting to $26,652 on six loans made from late 1959 through 1962 were also made from the funds in the Federation account (pp. 862,863, Hgs.). Senator Dodd did not state the specific use of these loans but did admit that living expenses and personal expenses were piling up during this period (pp. 820, 822, Hgs.).

The remaining $135,440 of the mingled funds in the "Testimonial for U.S. Senator Thomas J. Dodd" account were used for both political and personal expenses of Senator Dodd. These payments are detailed on pages 993–1002 of the printed hearings.

Now I wish to comment on Senator DODD's testimony.

I talked to Mr. Fern, chief counsel, and to members of the committee, about all these loans when they showed up, to see what the loans meant, and what they were for, believing that they might shed light on this entire case.

So in that attitude of trying to get at the facts, and frankly hoping it would clear up things far more than it did, we developed such proof as we could along that line. But I thought the real explanation would come when Senator DODD put on his own testimony, and particularly when he went to testify. I say this with great respect to him. Senator DODD offered only two or three witnesses, Members of the Senate. One I believe I have already mentioned, from Schneider's liquor store, and two or three others; and he took the stand himself, but did not testify directly. He said that he would submit to questions by the committee. That was all right. The committee could have just left it there. I thought if we did that he would perhaps make a statement, anyway, but we all thought we had a duty there.

So I went to asking him questions about these loans. I refer now to pages 1030 and 1031 of the hearings, which contain a list of the loans that Senator DODD put in the record himself as part of the stipulation.

It was agreed that there was an outstanding balance as of January 1, 1960, as indicated there.

I went to questioning him there with an idea of getting testimony. I was hopeful, as I said in my remarks. I said to the Senator, "I believe it would be to your advantage." I refer to the testimony on page 835 of the hearings. I will quote, if I may:

The CHAIRMAN. Now frankly, that is all the information that we have been able to get as the chairman understands, with reference to these items.

I was talking about the loans which appear on pages 1030 and 1031:

Now I think if you possibly can, it would certainly be relevant, and perhaps helpful to you to give more definite information than the date and the amount and the name of the lender.

I wanted to find out if that was political money for campaign expenses or whether it was part of any personal money.

I said further:

We were not able to get anything definite on most of these loans as to what the purpose was and as far as they knew what the money was used for.

I raise the whole issue as to them as a background for what happened in 1963 and 1964 and 1965.

In other words, here was the whole issued presented to Senator DODD as to what the loans were for. I said this was an issue that will go to the background in 1963 and 1964 and 1965.

Senator DODD said:

Well, I can tell you just what I told you about the others you asked me about. These were all in a period from 1956 to 1959, I believe. Well, obviously, that mortgage loan, that is when I bought my house in Washington.

I said:

Yes.

Senator DODD said:

I borrowed half the money and the rest of it came from the sale of my house in Hartford.

I said:

Yes.

Then Senator DODD said:

That is what that was for. The others all had to do with matters that I have described heretofore in my appearance here this morning. They were all mixed up with what I call personal political obligations.

He said they were all mixed up. That was a disappointing answer to the committee. I know it was to me. This testimony was disappointing. He said they were all mixed up.

And the details I cannot reconstruct for you. I can ask these people, and I will, what their best recollection is. I have discussed Kearney and Manes and Parser.

They were three of his friends from whom he had borrowed money. The chairman said:

All right, will you excuse me just one minute here for a matter of information?

Senator DODD. Yes.

The CHAIRMAN. I meant to ask you, to be certain now that you are not misled, these are listed here, and totaled for the years.

I was referring to pages 1030 and 1031.

For instance, there on appendix 7, loans for 1956 total $14,500; 1957 has a $36,000 total. And 1958 has a total here on this list of $90,000; 1959, $70,000. These are your listings, Senator?

Senator DODD said:

Yes.

The CHAIRMAN. And they total $211,000, and we were not able to develop any of the facts with reference to those loans as to what the money was borrowed for and what it was used for. Certainly we could not complete the record, and that is what we want you to help do. It shows an outstanding balance by the way of $149,000 on January 1, 1960.

Senator DODD. I think that has practically all been paid now.

The CHAIRMAN. Yes, well I know. That is why we think it is so relevant. A great deal of it at least was paid out of these funds that were collected.

Senator DODD. Yes, it was.

The CHAIRMAN. Well, that is why——

Senator DODD. With some few exceptions.

The CHAIRMAN. That is why I am asking here as a relevant matter more about what this money went for that is listed in appendix 7.

Senator DODD. I have told you the best of my recollection, and not only that, but what I know to be true. It went for these political-personal debts.

With all great deference, that confirms what I, as the chairman, and the committee were forced to conclude—that all the way through here all this money was used indiscriminately for personal matters and political.

The CHAIRMAN. Yes.

Senator DODD. And obligations that were accruing over these years.

The CHAIRMAN. All right.

Senator DODD. Some of them obviously, I hate to say it again, like the mortgage, that has not been paid off. I pay that off by the month, and it has been reduced to that extent by monthly payments.

The CHAIRMAN. That was listed there as a part of the picture——

Senator DODD. I understand.

The CHAIRMAN (continuing). By your attorneys, and I think properly listed for information that it showed. * * *

There may be others who want to question you.

Will you turn now just for one item here on page 11, item 86 of the printed stipulation.

Senator DODD. Yes.

The CHAIRMAN. That refers to the George Gildea loan.

That George Gildea loan is listed on page 1030 of the hearings.

Senator DODD. Yes.

The CHAIRMAN. "Loaned Senator Dodd $3,800 on April 13, 1962."

Senator DODD. Yes.

The CHAIRMAN. According to the stipulation, you paid Mr. Gildea $5,000 on August 7, 1965?

Senator DODD. Yes.

The CHAIRMAN. And that included the repayment of this $3,800 loan?

Senator DODD. I think there was another $1,200 loan. I think that is why I paid him $5,000.

The CHAIRMAN. The stipulation says the $3,800 went to pay your Federal income tax.

Now what can you give us on the $1,200 as to what it went for?

I repeat, of the $5,000, the stipulation says $3,800 went to pay Senator DODD's income tax.

Senator DODD said:

I think I bought a car. I think that is what it was. It was a very short time. I do not remember. I think it was 30 or 60 days.

The CHAIRMAN. And you used the George Gildea money in buying a car, is that right, the $1,200?

Senator DODD said he thought so.

So there again, on a personal matter like a automobile, this money was being indiscriminately used over a period of years, time after time after time. That is what led to the language in this resolution, charging him with a course of conduct of using this money to—not stealing it; we never used that word—but it has to be as strong as converting the money for a purpose that was not made clear or not made known except to a few at the time this money was collected.

Mr. President, I ask unanimous consent that I may yield to the majority leader without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, without wishing to interrupt the sequence of the Senator's speech, but on the basis of conversations held yesterday with the distinguished chairman of the Ethics Committee, who now has the floor, the distinguished Senator from Connecticut [Mr. DODD] and the distinguished minority leader [Mr. DIRKSEN], I ask unanimous consent that at the conclusion of the remarks by the distinguished Senator from Mississippi, he be followed by the distinguished Senator from Utah [Mr. BENNETT], who in turn will be followed by the distinguished Senator from Connecticut [Mr. DODD], and then the rest of the Ethics Committee, I believe, headed by the Senator from Kentucky [Mr. COOPER], the Senator from Louisiana [Mr. LONG], and others who will be interested.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. I thank the Senator from Mississippi.

Mr. STENNIS. May I ask the majority leader, is it contemplated that the Senate will take a recess for lunch? I should like to finish my initial appearance.

Mr. MANSFIELD. We will be glad to accommodate the Senator in any way he wishes, whether he wishes to recess now until 1 o'clock, or whenever it suits his convenience.

Mr. STENNIS. I think I can finish in a reasonable time. I would not wish to put a limitation on myself, but it is now 20 minutes to 12, and I think I can finish before 12:30.

Mr. MANSFIELD. Does the Senator wish to continue?

Mr. STENNIS. Yes.

Mr. MANSFIELD. Fine.

Mr. President, I ask unanimous consent that at the conclusion of the remarks by the distinguished Senator from Mississippi, the Senate take a recess for 1 hour.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. STENNIS. Mr. President, I know that these figures are confusing. I wish to say this, though, about that account up in Connecticut, all that money, both campaign and fundraising, being put into the same account. Senator DODD's testimony shows that sometime about mid-October of 1964 he ordered those accounts separated, and they were. But it is the Sullivan testimony that is so revealing as to what went on, and these many hundreds of thousands of dollars involved here, and some of it, several hundred million dollars, I suppose, by now, but much of it the same money, just showing up in different accounts.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

Mr. STENNIS. If I may, I ask that I might finish my presentation on behalf of the committee first.

Mr. LONG of Louisiana. Is the Senator aware of the fact that he said several hundred million dollars?

Mr. STENNIS. Well, I said—no, I did not mean that.

Mr. LONG of Louisiana. That is the way I heard it.

Mr. STENNIS. I said if you add up all the figures I have related here, it might add up to a hundred million, or something like that. But I am pointing out that there was not that much money involved, that a lot of these figures I have called out are repetitious, from one account to another.

Mr. LONG of Louisiana. So that I may get it straight, is the Senator saying that these figures would add up to several hundred million dollars?

Mr. STENNIS. If the Senator from Louisiana will just listen to me, I will state it again. I said all the figures I have called out here might add up to $100 million, but that is not the case. That is not the case, because many of the figures I have stated are repetitious, because they show up in one account, and then they are transferred to another account, and transferred to still another account. That statement was preliminary to what I am coming to right now.

Mr. LAUSCHE. Mr. President, will the Senator yield for one question?

Mr. STENNIS. I wish to be courteous to all Senators, but if I am to carry out my mission, I must finish my statement, and then yield for questions.

Mr. MANSFIELD. Mr. President, I would ask that the request of the Senator from Mississippi be honored by the Members of this body.

The PRESIDING OFFICER. The Senator from Mississippi has the floor.

Mr. STENNIS. Someone has said that I said several hundred million dollars. I wish to make clear—is the question of the Senator from Ohio on this point?

Mr. LAUSCHE. Yes, sir.

Mr. STENNIS. I yield to the Senator from Ohio.

Mr. LAUSCHE. I understand that three campaigns were involved. Can the Senator state what the total dollar amount is that is actually involved, in the figures that have been discussed?

Mr. STENNIS. Yes, we have that figure here, or I can get it in a short time. It is on other pages. The total amount, in round figures, as I recall, runs to something like $460,000.

Mr. LAUSCHE. That is for all purposes?

Mr. STENNIS. Yes, for all purposes that we developed here, in these campaigns.

Mr. LAUSCHE. In the three campaigns?

Mr. STENNIS. I beg the Senator's pardon?

Mr. LAUSCHE. In the three campaigns, for 1956——

Mr. STENNIS. No, I do not know about the 1956 and 1958 campaigns. We dealt with this matter beginning with the dinner in 1961, the events of 1963, the campaign of 1964, and the dinner of 1965.

Mr. LAUSCHE. I thank the Senator.

Mr. STENNIS. But, anyway, I wish to make it clear that whatever I said, $100 million or several hundred thousand, or whatever it was, there was no intention to state that we are dealing here—and everyone who has read this report knows it—with any figure of several hundred million dollars. That statement was preliminary, leading up to this point: If you trace all these amounts down, as we have here in an exhaustive and well-organized stipulation, as reproduced on page 854 to 861 of the printed hearings, you will find a record of where much of this money and these funds went.

The stipulation, however, did not show the purposes of almost $100,000 in loans that was repaid from the proceeds of fund-raising events or election campaigns. That was where I was trying to give Senator DODD a chance to explain these matters. I really thought he would have some records or memorandums, or testimony, that would go to that question. However, as I have already said, nothing was developed along that line.

The committee held regular meetings to review the evidence taken at the hearings. All members of the committee participated fully in the meeting and discussions. I remember the first meeting we had after all the testimony had been taken. We met in a little room in the Capitol for many hours. Only six men were in that room, all Senators, all under the same obligation as agents of the Senate. We carefully reviewed and analyzed exhaustively, in further meetings, the expenditures of funds raised for Senator DODD. This review and analysis resulted in a conclusion by the committee

that certain expenditures had been made for personal purposes.

In addition to the expenditures which we found had been clearly for personal purposes, the committee regarded the purpose of other expenditures as inconclusive. These expenditures were not included in the personal expenditures listed by the committee in this section.

The committee asked the Senator from Utah [Mr. BENNETT] and the Senator from Minnesota [Mr. MCCARTHY] to be a subcommittee to examine personally the different items and to determine what they thought about their being personal or political.

After their attentative duty to that burdensome assignment, they returned with figures that I shall relate now, figures which Senators already know about, because they are contained in the report. Both Senators will explain to the Senate, and I think to the full satisfaction of the Senate, how they reached their conclusions and will give their reasons therefor.

The committee held 10 meetings after the testimony had been given in formal meetings, besides having discussions elsewhere. Those meetings lasted from 2 to 5 hours, with full attendance most of the time. I mention this to show that this is serious business. This information is detailed and hard to get at. So the committee very carefully considered all of these facts. They are intermixed and intermingled, and they crisscross in a hundred different ways. But I think we have followed them down to the ultimate.

I shall take a minute more to read the figures from page 25 of the report:

From the proceeds of the 7 fund-raising events from 1961 through 1965 and the contributions from the 1964 political campaign, Senator Dodd or his representatives received funds totaling at least $450,273. From these funds, Senator Dodd authorized the payment of at least $116,083 for his personal purposes.

That was the conclusion of the two-man subcommittee as related in detail to the full committee and fully proved to our satisfaction. That appears on page 25 of the report.

I continue to read from page 25:

The payments included Federal income tax, improvements to his Connecticut home, club expenses, transfers to a member of his family, and certain other transportation, hotel, restaurant and other expenses incurred by Senator Dodd outside of Connecticut or by members of his family or his representatives outside of the political campaign period. Senator Dodd further authorized the payment of an additional amount of at least $45,233 from these proceeds—

This refers to the political money collected.

I continue to read:

Senator Dodd further authorized the payment of an additional amount of at least $45,233 from these proceeds for purposes which are neither clearly personal nor political. These payments were for repayment of his loans in the sum of $41,500 classified by Senator Dodd as "political-personal" and $3,733 for bills for food and beverages.

That same subcommittee first, and the full committee later, found that the expenditure of $45,233 of this money was questionable and found that these funds were personal-political and were used to repay loans and even to pay for food. So that, Members of the Senate, is a very significant part of this report. I think the committee can assert with confidence that the figures of $116,083 for personal purposes and $43,233 classified as political-personal are indeed conservative and are actually based on evidence admitted at the hearings.

Members of the Senate, these facts are not in dispute.

The conclusions and the purposes are in dispute, but these facts are largely admitted in these stipulations by Senator DODD and the committee.

From all the evidence of Senator DODD's direct and indirect control of the organization and administration of the several fundraising events conducted from 1961 through 1965, from the recurring patterns of notice and so forth to the public of the purpose of each of these events, and notwithstanding this notice, the conversion to his personal purpose of substantial parts of the proceeds from each fundraising event, as well as from funds contributed to his election campaign, there emerges an inescapable conclusion that unfortunately the Senator from Connecticut deliberately engaged in this course of conduct to divert to his own use funds over which he held only a trustee or fiduciary control.

There is another item here that I have not discussed, and that is the so-called double billing. That item is going to be discussed in detail by others.

The committee made a very careful examination of these matters, Members of the Senate, and I have here a statement about them. These duplicate travel payments are covered on page 23 of the committee report, and I will now read that in the RECORD. It reads:

On seven occasions from 1961 through 1965, Senator Dodd while travelling on official Senate business, paid for by the Senate, also received substantially equivalent expense reimbursement for the same transportation from private groups for his appearance as a speaker at various events (pp. 746, 747, 863–865, Hgs.).

The trips were to Philadelphia, Pennsylvania, in March 1961; West Palm Beach, Florida, in March 1961; San Francisco, California, in June 1961; Miami, Florida, in August 1962; Seattle, Washington, in June 1963; Tucson, Arizona, in February 1965; and Los Angeles, California, in March 1965. Senator Dodd received reimbursement of travel expenses from private sources for each trip prior to payment by the Senate for the same expenses. Senator Dodd received travel expense payment from a private source for the 1961 San Francisco trip prior to his travel (pp. 863–865, 1003–1014, Hgs.).

Senator Dodd's former bookkeeper, Michael O'Hare, testified that during his employment it was his responsibility to bill the private groups, before whom Senator Dodd appeared as a speaker, for travel expenses and other fees (pp. 746, 747, 748, Hgs.). He testified that in doing so he acted at the express direction of Senator Dodd (pp. 746, 747, Hgs.). O'Hare also testified that two of the seven trips involving duplicate payments were taken prior to his employment (p. 746). The duplicate payments from private sources were deposited in Senator Dodd's personal checking account in Washington, D.C. O'Hare testified that Senator Dodd's Senate travel vouchers were prepared by the subcommittee staffs (p. 747, Hgs.).

Senator Dodd testified that he did not authorize O'Hare nor anyone else to bill twice and that the double billings were the result of sloppy bookkeeping (pp. 832, 834, Hgs.).

It was stipulated that on at least six other trips, which were nonofficial, Senator Dodd received and used travel expenses payments paid by both his political campaign funds and by private sources (p. 938, 954, 996, 997, 1015–1018, Hgs.). The trips were to Atlantic City, New Jersey, in August 1964; Los Angeles, California, in February 1964; Bal Harbour, Florida, in December 1964; San Francisco, California, in June 1964; Tyler, Texas, in September 1963; and Claremont, California, in February 1964.

Two of the seven trips were taken prior to the employment of O'Hare, as shown on pages 746 and 834 of the printed hearings. It is impossible to associate the duplicate payments with O'Hare alone. Although Senator DODD claims, as he indicated on page 834 of the printed hearings, that O'Hare's inefficiency was the cause of these double payments, O'Hare testified without contradiction that both Senator DODD's and his accountant were pleased with O'Hare's bookkeeping and that O'Hare received substantial raises in salary throughout the 4½ years of his employment by Senator DODD.

O'Hare's record of service and position and salary is shown on page 1094 of the printed hearings and substantiate his testimony.

The staffs of the committee or subcommittees for which Senator DODD performed travel prepared vouchers for travel for payment by the Senate, not O'Hare.

These vouchers are reproduced on pages 1023 through 1026 of the printed hearings.

There is no evidence that O'Hare prepared any of these vouchers.

As I have already read from the committee report, O'Hare testified, as shown on pages 746, 747, and 748 of the printed hearings, that Senator DODD directed him to bill twice. Senator DODD denied doing so, as shown by pages 832, 833, and 837 of the printed hearings. But O'Hare also testified, as shown on page 747, without contradiction, that at Senator DODD's direction he requested the staff director of the Juvenile Delinquency Subcommittee to arrange for payment for travel expenses by private organizations for the 1961 San Francisco trip under the sponsorship of that subcommittee.

Senator DODD's signature does appear on six of the nine vouchers, as shown on pages 1003 through 1020 of the printing hearings, indicating that he should have known of these payments when he signed. The other three voucher payments were through a credit card, and the airline billed the Senator direct.

There is testimony from O'Hare, as shown on page 730 of the hearings, that Senator DODD did take a personal interest in his books.

Mr. O'HARE. He took a great personal interest in his personal finances. As far as the books as such goes, why, occasionally, he would ask to see them or inquire of me as to whether or not they were up to date, and was I keeping them in good order.

Mr. FERN. And at any time did he give you any reason to believe that you were not keeping them in good order?

Mr. O'HARE. No sir. On the contrary.

I have not yet gone into detail on the subject of use of the removed documents.

I intended to do so at the beginning of my remarks. This matter originated by Senator DODD's files being rifled by some of his then former employees, not including O'Hare at the time. This is something that I certainly do not approve of, nor does any other member of the committee.

The files had already been rifled and were in the hands of newspaper columnists. *We did not* have copies of those sheets. We assisted Senator DODD, at his request, in getting copies for him, because we thought he was entitled to them.

We never based any charges or got the case up, so to speak, against Senator DODD based upon those stolen papers. We stayed away from them as evidence in the case. This case is based on stipulations. It is based upon sworn testimony of the witnesses, taken in Senator DODD's presence and in the presence of his counsel, where they had the right of cross-examination, and upon a few documents that were admitted in open hearing.

The complaint is made here about certain loans and trips that we could not have found out about without the use of the stolen papers. These are the facts about that matter. I have already said that as a lawyer, and as anyone with commonsense, I could see that this matter was getting into the loan picture; and I told the chief counsel to develop everything he could about the loans—good or bad. We were trying to get at those facts. I was trying to get at them through Senator DODD, the same way, when he was being examined.

The five items about loans and travel, which were found in these papers, are covered in the stipulations. There was no objection to including the items. They have been agreed to, and I will identify them later. Thus the five items about which complaint is now made are covered in the numerous stipulations that have been agreed to as being the facts in the case, and have been in the record all this time.

Now, a word about these employees. I believe that with one exception—and I will state it—virtually everything in their testimony is either admitted or agreed to or substantiated over and over again. The exception is Mr. O'Hare. Mr. O'Hare, a young man, was not one of the original people who rifled these files. He was still employed there and, as I recall, did not know anything about it for some time, but he finally got into it; and I believe that, within itself, was a wrong. I have heard the testimony of many people who had done things wrong, and I do not suppose I have ever heard testimony of anyone who never had committed a wrong. After following him closely all the way through his testimony, checking on him in every way that counsel and I could, comparing what he said to us about dozens and dozens and dozens of matters and finding them as he said they were, testifying as he did in open hearing—under terrific pressure, naturally, because of the subject matter—and with the background of our checkup on all these other things, his testimony about his keeping of these travel records was very convincing. Of course, it was. Otherwise, six out of six men would not have based a charge such as this on any of his testimony.

I frankly state this to the Members of the Senate, because it is a part of the proof in this matter on the double billing. His testimony is a link in it with reference to Senator DODD's knowing. This young man—I am not making any excuses for him, and I do not excuse him—finally joined with reference to taking those files.

But that really was not the question before us. The question was, what does this testimony establish? I have told the Senate.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

Mr. STENNIS. I have asked others not to interrupt me. I will yield for questions when I finish, Senator.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The Senator declines to yield.

Mr. STENNIS. I respectfully decline to yield at this point. I am almost through.

The instances of double billing are all identified. I shall read the ones that are stipulated on pages 863 and 865. When I say "stipulated," I do not mean to imply that Senator DODD ever agreed that he told anyone to double bill or that he knew anything about it.

Gentlemen, I have taken a good deal of time. There is much else in this record, but I believe that covers substantially the matters that are before the Senate. There is an abundance of testimony corroborating these matters and explaining further the facts.

It has been said that out of all the matters that have been in the newspapers, the committee passed up the remainder. That is not an accurate statement, Mr. President. The committee really did not pass up any of them. We expressly retained jurisdiction and the right to consider them.

I mention this because of what has been said. Senators will find in the record that that is very clearly covered. Many were not delineated by name because it was considered that it could have been prejudicial to enumerate them in an official report. This committee has made no conclusion with reference to these matters, unless it was a few trivial matters, except the ones that we have brought before the Senate. This report speaks for itself.

On the whole, I feel this way, gentlemen: as an act of generosity, as an act of feeling or compassion, I would like to be more generous than this resolution is, but that is really not the question. There is no constitutional question involved, as I said in the beginning. There is not much dispute about the essential facts. The matter comes down to the question: What is the Senate going to do about it? That question rests right in the lap of everyone.

I know that no one approves, that no one could possibly approve of what this testimony shows as constituting proper conduct for a sitting Member of the Senate.

We have that question now: What are we going to do about it? Unmistakably, a part of our duties, if we do not act, if we do not meet this matter in an affirmative way on this proof with a clear and unmistakable expression of disapproval that carries a meaning more than words, but carries a meaning that will perhaps do good in the future, then I respectfully submit that we fail to meet this issue. We will have thereby approved, whether we intend to or not, like it or not, a pattern of conduct. It is either that, or we are not willing to face the issue. I do not believe the Senate wants to do either one of those things. I could be as forgiving as any Senator. As I say, that is not the issue. If we pass up this matter, then sometime, somewhere, in some way, something big will slip out of this Chamber, and a lesser standard or lesser role or lesser conduct will have to be accepted.

Sad as it is—and I say it is sad for every one of us, for the Senator from Connecticut and for the rest of us—I do not believe we can afford to do it.

For the time being, Mr. President, subject to answering questions if anyone wishes to ask questions, I yield the floor.

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess for 1 hour.

Mr. LONG of Louisiana. Mr. President——

Mr. MANSFIELD. Mr. President, I withdraw my request.

The PRESIDING OFFICER. Does the Senator from Louisiana seek the floor?

Mr. LONG of Louisiana. Mr. President, will the Senator from Mississippi yield for a question?

Mr. STENNIS. I yield to the Senator.

Mr. LONG of Louisiana. Mr. President, I wish to ask one question. The Senator said he thought it was wrong for Mr. O'Hare to break into Senator DODD'S office at night and steal the documents, some 4,000 of them, I understand; and I understood that although he said it was wrong, nevertheless he trusted the man's word and believed him.

Does the Senator believe it is all right for the man to steal from the Government and private organizations, as the man admitted he did, as a conspirator?

Mr. STENNIS. To what does the Senator refer?

Mr. LONG of Louisiana. Mr. O'Hare was asked under oath, I understand: If you did this on Senator DODD'S instructions, he does not have the right to authorize you to steal money from the Government or private individuals and you have been a party thereto; you understand that if he committed a crime so did you and he does not have the right to authorize you to commit a crime; and he said he understood that. Mr. O'Hare alleged himself guilty of stealing not only from his boss, but from private organizations and the Government.

I assume that the Senator would also feel that he should not approve of that course of conduct of stealing from the Government or private organizations.

Mr. STENNIS. Of course, I would not approve of such conduct if it amounts to that. I am against that, as is the Senator from Louisiana.

I merely said this. In weighing all testimony and considering all of the case, the checkups we made, many many matters about which this man told us on that point, we took his testimony.

Mr. LONG of Louisiana. But I take it

that the Senator would not approve of the man stealing from one's boss.

Mr. STENNIS. Of course not.

Mr. LONG of Louisiana. The Senator would not approve of stealing from Senator DODD, from the Government, or from private organizations. With regard to at least one of these so-called double billings alleged by Mr. O'Hare, the committee, on thorough study, found it was not a double billing. I have in mind a trip to Los Angeles where Senator DODD spoke to the Junior Chamber of Commerce. In that case, O'Hare was alleging himself guilty of a crime, wrongfully charging both the Government and a private organization, he did not commit. We can forgive him for that crime that he did not commit, but in saying that he did, he lied.

I ask the Senator if he approved of O'Hare lying under oath. That is perjury.

Mr. STENNIS. If I thought he lied under oath as to that point, we would not be here on that point. It obviously answers itself.

Mr. LONG of Louisiana. If the Senator became convinced that Mr. O'Hare was not only a burglar against Senator DODD and against the Government and private organizations but also a perjuror, a liar under oath, would the Senator then place the same reliance upon the testimony of Mr. O'Hare?

Mr. STENNIS. Those things will be subject to proof and to anything the Senator wishes to present. A bare statement on that matter by the Senator from Louisiana is not proof.

Mr. LONG of Louisiana. If the man contended he committed a crime which had never been committed and when the evidence came forward he still insisted he committed such a crime, would that amount to perjury?

Mr. STENNIS. I did not understand to what the Senator refers. Does the Senator refer to what my reaction would be to the example the Senator tries to give of stealing? I think the thing itself speaks, and that is what I think of the entire case. There is an old Latin phrase in common law covering this case: "The thing itself speaks."

Mr. LONG of Louisiana. I would not quarrel with the facts on which the Senator relies; only the interpretation he places on them, and the reliance he places on testimony which I think is perjured and which I think I can establish is perjured testimony.

I wish to say to the Senator that he has my complete admiration. He is one of the great Members of the Senate and he is doing what he thinks his duty requires him to do reluctantly. Ever since I came to the Senate I have had tremendous admiration for the Senator from Mississippi. I applaud the Senator for doing his duty as he sees it.

Mr. STENNIS. I thank the Senator.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. LAUSCHE. Would the Senator from Mississippi describe the actual proceedings that took place in connection with what he calls the stolen documents; how it was done, when it was done, and how the documents were converted, and so forth?

Mr. STENNIS. I may have to refresh my recollection some on the dates, but these matters first came out in the newspapers in January of 1966. Almost a year before then, at least two of the employees of Senator DODD's staff who had been discharged in some way, entered his office. As I recall, a former assistant had a key.

They systematically took from those files a great number of papers which totaled something like 4,000. That is a rough figure. Those papers comprised correspondence that covered all the Klein matters. We plowed through all of that. The papers also covered a great deal of personal matter but particularly the campaign matters. I would rather not call so many of them by name because, as I said, we did not list them in the report because they tend to be prejudicial. But there were a great number. The purpose was to expose Senator DODD. A great number pertained to automobile—supposed acts he had done as a Senator in connection with departments. I am not suggesting, of course, that he did anything wrong on those. They are not before the Senate. But it also covered account books, ledger books, and memoranda. They were all taken downtown and copied, through an arrangement with someone. They came into the hands of Mr. Pearson and Mr. Anderson.

As I undertand it, they were selected systematically as to what they would run in the paper.

I never did deal with Mr. Pearson or Mr. Anderson. The committee did not, either, except some slight contact to start with. They wrote me letters. We did everything we could to let Senator DODD know what had been taken from his office.

Later, the first two employees were joined by another and Mr. O'Hare was, at that time, still employed; but, frankly, I think they got him into it. I think the first two got Mr. O'Hare into this matter. That is my conclusion.

Mr. LAUSCHE. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I am happy to yield to the Senator from Ohio.

Mr. LAUSCHE. Over what length of time did entry into Senator DODD's office, where the papers were taken, take place?

Mr. STENNIS. As I remember that part of it, something like a year.

Mr. LAUSCHE. Was his office entered during the night or during the day—on Sundays, or——

Mr. STENNIS. His office was entered sometimes at night and sometimes on weekends.

By the way, the papers were copied—I call it Xerox copying, something of that kind, and then they were returned to the files sometimes during the same weekend—perhaps in 2 or 3 days.

This was all handled, as I judged by the gentleman, Mr. James Boyd, the one who took the lead in that from the beginning. As I say here, that is reprehensible and goes beyond any kind of responsibility that they have to expose alleged wrongdoing.

Mr. LAUSCHE. I make the inquiry——

Mr. STENNIS. Yes; I know. On page 31 of the report there is a reference to it. I will get the Senator more dates on this matter as to just when this all happened. It has gone out of my mind temporarily, however.

Mr. LONG of Louisiana. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I am happy to yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Can the Senator tell me whether, to the best of his information, among the documents stolen and subsequently made available for publication were the Senator's income tax returns, the stealing of which would be a Federal offense?

Mr. STENNIS. Yes. There were about 4 years' of income tax returns in that group. One of those returns is in the record. The committee did not put it there. That was put in by Senator DODD himself.

Mr. McCLELLAN. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I am happy to yield to the Senator from Arkansas.

Mr. McCLELLAN. Has this matter of the stealing of these documents been referred to the Department of Justice?

Mr. STENNIS. Yes. That is what we did, Senator. The committee has stated that it is reprehensible conduct and wrongdoing. I could not find anything that we could do ourselves about it. They are no longer in the employ of the Senate.

Mr. McCLELLAN. Do we have any report from the Department of Justice as to just what it is doing about it?

Mr. STENNIS. Well, when we filed our report, we referred the matter of stealing the documents to them in writing. They have advised me that they are looking into it and are examining the statutes closely. The committee has not spared anyone, I doubly assure the Senator on that, and I know that he does not think otherwise.

Mr. McCLELLAN. I do not think that, of course, but——

Mr. STENNIS. I say that publicly.

Mr. McCLELLAN. I would like to know, although it is not absolutely pertinent to this issue, I realize, but since the Senate itself is involved, I would like to know about it, and would hope that there would be some assurances given by the Department of Justice that it will perform its function in this connection, and meet its responsibility in connection with the thefts.

Mr. STENNIS. We certainly have put it up to them. I agree with the Senator's sentiments. I voted in favor of putting something in the report, in saying exactly what we said. We all voted on it. We felt that, for the time being, we were at the end of our rope with reference to it.

Mr. CURTIS. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I am happy to yield to the Senator from Nebraska.

Mr. CURTIS. In reference to the newspaper columns mentioned in connection with the stolen documents, I would like to ask: Did this newspaperman participate in any of the planning and arranging, and other actions, in connection with the theft of the documents, or did he receive them in a complete bundle after the offense had been committed?

Mr. STENNIS. There were dealings with Mr. Anderson from time to time by

the former staff members. They had conferences with him. The committee did not go into that part primarily. We were not going to use the papers that they offered to give us—Mr. Anderson. I used Mr. Pearson's name. I do not know that there was any contact with Mr. Pearson. I do not know of any. So I confine my remarks to Mr. Anderson.

Mr. CURTIS. Did Mr. Anderson confer with the persons who stole the documents as the theft was taking place?

Mr. STENNIS. As I recall; yes. They were in conference from time to time. All this did not happen at once.

Mr. CURTIS. Did Mr. Anderson make any suggestion or give any direction as to how to proceed in searching for documents, copying them, and stealing them?

Mr. STENNIS. I hesitate to try to answer that question, because I had no contact with Mr. Anderson. In the beginning, there were some telephone conversations with him. We did not have a mandate from the Senate to try to get into that part. We wanted to handle the matter independently of the downtown investigation.

Mr. CURTIS. I understand; but is it the Senator's abiding knowledge that Mr. Anderson did meet with those people periodically as the theft was taking place?

Mr. STENNIS. That is certainly my recollection, but I cannot state it as a fact. I am not dodging the question at all. I did not deal with Mr. Anderson and had no conversation with him.

Mr. CURTIS. But all the facts would indicate that he knew that the papers were stolen?

Mr. STENNIS. Yes, yes; no doubt about that.

Mr. CURTIS. He used the stolen material upon which to write a column which he sold for a price. Is not that true?

Mr. STENNIS. He certainly used that material. Yes; it was used to go in his column.

Mr. CURTIS. Does the committee know whether the column is something that is sold?

Mr. STENNIS. Well, yes; it is generally understood that it is syndicated, and the newspapers pay him for the column.

Mr. CURTIS. I regret that the rules of the Senate will not permit me to express myself concerning the chief engineer of this theft. I mean no criticism of the very fine Senator from Mississippi and his colleagues who served on the committee; but I do hope that if there is one ounce of decency left in the Department of Justice, the Department will follow through on this matter with reference to the man who engineered a theft from a Senator's office.

Mr. STENNIS. I follow the Senator's sentiments generally, but I am not in a position to state facts to the Senator about the matter.

Mr. COTTON. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

Mr. COTTON. I want to get one point clear in my mind with reference to the colloquy that took place about the reliability of Mr. O'Hare's testimony. Did I correctly understand the Senator from Mississippi to say that in the matter of the alleged double charges, Mr. O'Hare was the one who made the charges to the private individuals or association, but that some other individuals, connected with a committee or a subcommittee, was the one who entered the charges as against the Senate and the Government?

Mr. STENNIS. The clerks for the respective committees for which Senator DODD traveled made out the requisitions for the official travel, but what had happened was that before the official payment was made the travel expense had already been collected from that private organization. When O'Hare came in, he said that Senator DODD told him to do it that way. There are certain other facts that are connected with it that would assure a pattern along that line; but his testimony is direct. I state that as a fact of life in this case.

Mr. COTTON. My question went to the credibility of the O'Hare testimony. It was suggested by the Senator from Louisiana that he had knowingly and consciously participated in the stealing or double charging. I wanted to ask if it were possible that when Mr. O'Hare made the charges to private associations or individuals he had no knowledge that the charges had been made or were to be made against the Senate for the same charges?

Mr. STENNIS. Frankly, I would want to refresh my recollection on the record on that point before I gave the Senator a full answer. My impression is that in some of the cases he did not know, but in some he might have known. The official part was all handled by the clerks for the subcommittees. That is where Senator DODD signed for this money. But the payments had already been made, as I said, to O'Hare, or through his requisition. My impression is that, yes, he knew it as to some of them. That is my impression, but I would want to reserve judgment on that.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. BENNETT. It seems obvious to the Senator from Utah that he must have known it, because if any check came from the disbursing office, it had to go on the books.

Mr. COTTON. That means he knew it afterward.

Mr. BENNETT. Yes.

Mr. STENNIS. He knew it afterward. The question is whether he knew it beforehand. I would want to refresh my recollection as to some of it.

Mr. LONG of Louisiana. Mr. President, if I may ask the chairman of the committee to look at a copy of the hearings, I think he will see it was made clear by Mr. Boyd's testimony that Mr. Anderson affirmatively importuned Mr. Boyd to engage in the taking of records. If the Senator will turn to page 751 of the hearings, he will see that Mr. Anderson met with Mr. O'Hare and he persuaded him to agree to enter into this conspiracy. He also persuaded him it would be well to continue Mr. O'Hare on the payroll because he would be a more effective thief if he did. If the Senator will look at the bottom of page 751, he will see that that is where Mr. O'Hare agreed to become a thief with Mr. Anderson. Mr. Anderson cautioned Mr. Boyd how dangerous that course of action was and that one had to be careful.

Mr. STENNIS. I am not defending Mr. Anderson or anyone else. The Senator knows that. We are trying to present the facts. I disapproved of the actions of these four members of the group in strong language. I do not want to say anything until I check the record as to who approached whom, whether Anderson approached them or they approached Anderson.

Mr. LONG of Louisiana. Will the Senator permit me to ask the Senator from Mississippi to have the marked portions of page 177 and the marked portion of page 751 appear in the RECORD at this point, so it may be clear as to how it happened?

Mr. STENNIS. The Senator wants to introduce into the RECORD the question by Mr. Sonnett.

Mr. LONG of Louisiana. And the answer.

Mr. STENNIS. Mr. President, I ask unanimous consent that the question to Mr. Boyd which appears on page 177 of the hearings and the answer given by Mr. Boyd be included in the RECORD at this point. The question to which I refer is the second question on that page asked by Mr. Sonnett.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

Mr. SONNETT. So you didn't seek Mr. Anderson out initially with all of this story of yours?

Mr. BOYD. Well, I wouldn't say it was as simple as that. Mr. Anderson called me on the phone a couple of times, told me, reminded me of his columns about Senator Dodd over the years, both favorably and unfavorably, told me he thought that there was a tremendously interesting area of study there, sought my cooperation and told me that if I ever decided that I cared to tell him anything about Senator Dodd's activities, he would be very available, and also telling me that he thought that it was my duty if I had any feeling of any wrongdoing, to come forward with it.

I spent a considerable amount of time mulling it over, however, before I approached him, and I did so finally having decided to go to the press, on the basis that Mr. Pearson and Mr. Anderson had established themselves as men who were willing to undertake such an enterprise and men who had the courage to carry it out, and were as close an approximation as we could reach to getting it to the entire American public, and to be sure that the project would be carried through and never abandoned under any kind of pressure.

Mr. LONG of Louisiana. Mr. President, would the Senator be so kind as to place in the RECORD the questions starting at the bottom of page 751 and the answers to those questions, which go over to page 752?

Mr. STENNIS. Yes. There are questions and answers on page 751 by the chairman directed to Mr. Michael V. O'Hare and his responses or answers to them, which extend to the top of page 752. I ask unanimous consent to have them printed.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

TESTIMONY OF MICHAEL V. O'HARE

Mr. SONNETT. Mr. O'Hare, do you recall generally your testimony when last you appeared before the committee?

Mr. O'HARE. Yes, sir; I do.

Mr. SONNETT. I would like to read to you from page 243 of the printed record of your prior testimony, a portion, and ask you whether you wish to make any change now in that testimony. I am going to read from 243, Mr. Fern:

"Jim Boyd had spoken to me on a number of occasions during the month of July and August. He asked me finally around the middle of August 1965 if I would come out with him and meet with Jack Anderson. I agreed to this and after talking with Mr. Anderson, meeting him for the first time, hearing all that he did have in mind, sometime later convinced myself that his motives were honorable.

"The CHAIRMAN. Pardon me now. When was that? What was the date of this first meeting?

"Mr. O'HARE. With Jack Anderson?

"The CHAIRMAN. Yes.

"Mr. O'HARE. Around the middle of August 1965.

"The CHAIRMAN. All right.

"Mr. O'HARE. As I say, after meeting with him, I was convinced or at least within a few days, a short period of time after meeting him, I became convinced in my own mind that possibly some good could come out of the expose that he planned, and it was with this in mind that I finally agreed to join up and participate in it. From then on, I was an active member of the group as far as working, doing research for them, gathering actually any material. The documents which were taken as far as my own participation in it went, I do not believe that I took any great amount of documents probably until around the middle of October 1965. I may have taken a few copies here and there, but it was not until October, the middle of October, that I actually took any great amount.

"Mr. SONNETT. Was that after Terry Golden had been discharged?

"Mr. O'HARE. It was the weekend following Terry Golden's dismissal.

"Mr. SONNETT. And Terry Golden was your girlfriend?

"Mr. O'HARE. Yes, sir, and still is."

Mr. LONG of Louisiana. May I suggest that the testimony, to be complete, should include the questions and answers which are contained on page 183.

Mr. STENNIS. Very well. I ask unanimous consent that, from part 1 of the hearings in the middle of the page, the question by the chairman as to the parties that were involved, and Mr. Boyd's answer, beginning with "Yes," and the rest of the answer be printed in the RECORD.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

The CHAIRMAN. I have been talking about law violations. Anyway, what is your testimony on it now? That you did not discuss this matter? I think this is a very serious point, Mr. Boyd. Your testimony is you did not discuss the question of whether it was a violation of law with any other party?

Mr. BOYD. I did not discuss the question——

The CHAIRMAN. These parties that are involved?

Mr. BOYD. Yes. With the exception—let me put Mr. Anderson aside from that discussion. I did not discuss it with any of the others. I believe that Mr. Anderson told me that it was a hazardous thing, it was a risk, it might result in trouble, that he did not think that it would because when the full story was told and the motives were told, he could not imagine any legislative or executive body taking action.

I don't think we discussed it in terms of a specific criminal violation.

The CHAIRMAN. All right. Nor did any of the others, former members of the staff, raise the question with you in your discussion?

Mr. BOYD. No, sir. The other two, Mr. O'Hare and Miss Golden, had no part in the affairs of June, so it would only be Mrs. Carpenter and she did not.

The CHAIRMAN. She what?

Mr. BOYD. She did not raise the question.

The CHAIRMAN. She did not raise it?

Mr. BOYD. No.

The CHAIRMAN. I thank you.

Mr. BROOKE. Mr. President, will the Senator yield for a procedural question?

Mr. STENNIS. I yield.

Mr. BROOKE. The distinguished chairman, in his presentation, referred to "the overwhelming evidence." Will the Senator state what test should be applied by Senators in the evaluation of the evidence, whether it will be some evidence, the preponderance of evidence, or will it be proof beyond a reasonable doubt?

Mr. STENNIS. Well, I think every Senator has to be his own judge as to that, I will say to the Senator from Massachusetts.

Mr. BROOKE. Did the committee consider this question?

Mr. STENNIS. No. I do not think tests like that are applicable. I think every Senator has to do on these matters the best he can, and the degree of proof required is a part of his responsibilities. We instruct juries that hear cases and give them guidelines about the testimony. To me, that part is overwhelmingly proved, but the Senator will have to judge for himself as to whether he is convinced and what degree of proof is necessary.

Mr. MILLER. Mr. President, will the Senator yield for a question on the report?

Mr. STENNIS. I yield to the Senator from Iowa.

Mr. MILLER. On page 26 of the report, the committee stated:

In addition to the matters considered in public hearings, other allegations of misconduct by Senator Dodd were published in the press or encountered by the staff in its investigation.

Then the committee went on to say:

The Committee does take note of allegations which, if proven, might possibly constitute violations of existing law. After investigation, the Committee determined that it could not secure substantial findings of fact to sustain the allegations. These allegations are therefore being referred to the Department of Justice.

My recollection is that one such allegation had to do with the receipt of law fees, and a possible conflict of interest. May I ask the Senator from Mississippi whether or not that was one of the allegations which the committee investigated, but which the committee was not able to find was substantiated by its investigation?

Mr. STENNIS. I am glad to answer the Senator's question. Here is the committee's position on those matters: As I said, we ran down numerous allegations. I have never seen a few men cover as much ground as these men did. But there were so many matters there that we just could not follow up on all of them; to really obtain the full story on each one, we decided, would require machinery like that of the FBI.

We did not enumerate those matters, however, because we felt that to do so would be prejudicial. That is the way we handled the matter. We recognized that as a part of the picture, and we wanted the Senate to know that we had not ignored it.

Mr. MILLER. Do I understand——

Mr. STENNIS. As to the legal fees, frankly, I do not remember anything outstanding about legal fees, although I know the matter was discussed. I am not sure that it is in that group to which the Senator has referred. I will refresh my recollection on that point.

I do know there is one charge there about him having done some things that was not substantiated at all, on which we received all the facts. But then there were some that we could not develop, frankly.

Mr. MILLER. Then do I understand that the subject of legal fees and possible conflicts of interest—which was one of the allegations in the press—was investigated by the committee?

Mr. STENNIS. I will give the Senator a definite answer later. Right off, I do not remember whether that was one of the matters we went all the way on or not. That is my best recollection. There are a number of them there, and some of them are serious charges, in the group to which the Senator has referred. But I do not think we ought to discuss them now. I really do not believe it would be proper.

Mr. MILLER. I merely asked the question in connection with the statement by the committee in its report. I know the committee has had multitudinous matters to consider.

Mr. STENNIS. I will give the Senator an answer, and if he insists, I will give him a public answer. But I do not wish to say anything here, now, that is prejudicial to Senator DODD. The committee covered the point, as the Senator sees from the report. We did not abandon anything. We referred those matters on which we had some evidence to the Department of Justice, not only this matter of the files, but some other things as well.

Mr. MILLER. I wonder if the Senator from Mississippi could provide that information for the RECORD later.

Mr. STENNIS. I do not wish to promise now that I will provide it for the RECORD. I will look into it, and give the Senator an answer. I will look into the matter, but I do not think we ought to bring it up publicly.

Several Senators addressed the Chair.

Mr. STENNIS. I yield to the Senator from Kentucky.

Mr. COOPER. Mr. President, inasmuch as the matter has been raised by the Senator from Iowa [Mr. MILLER], in all fairness, I think we should make some statement about it.

A number of charges were made against the distinguished Senator from Connecticut, in addition to those that have been discussed. The committee spent a very long time on the Klein matter, and then later weeks and weeks upon the subject

which the chairman of the committee has discussed so fully and ably this morning.

At the close of the hearings, or at the close of our consideration of the matter, the question was raised whether or not we should continue the investigation into several other charges which had been brought before the committee. The staff of the committee had made a preliminary investigation of some of those matters, and had found, in some instances, that there was not enough proof, in their judgment, to sustain continuing the investigation on those particular issues.

I served on a subcommittee with the distinguished Senator from Minnesota [Mr. McCARTHY], looking into one matter which, as I remember its substance, claimed a payment had been made to the Senator from Connecticut. We could find no proof in our investigation of that particular charge, and so stated to the full committee.

But I must say that it was my judgment—and I had so held in the committee, and stated in a reservation which I made on the floor of the Senate the day that our report was filed, which I had told the committee I would make—that I felt that we should have continued the investigation on those other issues, for two reasons: First, to comply with the mandate of the Senate to the committee to go into all the issues; and second—and I give the two points absolutely equal importance—as a matter of justice to Senator DODD; because if the allegations were not true, that fact should be made known.

As I have stated, in one instance, which I can say for myself I went into, at least in my judgment, and I believe also in the judgment of the Senator from Minnesota [Mr. McCARTHY], we found absolutely no proof to sustain the particular charge. I told the committee that I would make this statement before the report was made. I made it on the floor of the Senate the same day of its report and I felt that I should make this statement now.

But if the Senator from Mississippi will permit me now to respond for a moment to the question asked by the Senator from Massachusetts [Mr. BROOKE], when he asked about the degree of evidence which the committee considered necessary on this particular matter before the Senate: As the Senator from Mississippi has said so correctly, it was not a question of what degree of evidence we considered. This is not a criminal proceeding, in which one must find beyond a reasonable doubt; and yet I believe we would want to find beyond any reasonable doubt any charge against a Member of our own body.

But on the question of evidence, I would merely say that there is no question as to the facts, the validity of the evidence, because the matter before us is based upon stipulations, upon an agreement as to the facts, with one exception of which the Senator talked about. That concerns the testimony of Mr. O'Hare. The committee had to question the veracity of O'Hare. However, on all other aspects, the stipulations were agreed to. It was upon agreed evidence that we made our judgment. The matter of use of funds, is admittedly no violation of any law that we can find.

However, we must determine in our own judgment whether his conduct was proper as a Member of the Senate.

I thought I should direct myself to the question and I ask unanimous consent to place in the RECORD my reservation stated on the floor, when the committee report was filed.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE DODD CASE

Mr. COOPER. Mr. President, earlier today, the distinguished chairman of the Select Committee on Standards and Conduct [Mr. STENNIS] filed in the Senate the committee's report and recommendations on the investigation of Senator THOMAS J. DODD, of Connecticut. I agree wholly with the conclusions and recommendations of the committee, with respect to those subjects upon which the committee held public hearings.

I think it proper, however, to say that I hold certain reservations which I expressed and contended for in the committee. My reservations concern sections 4 and 5 of the conclusions of the committee.

The subject of conclusion IV is "Other Allegations Not Covered in Public Hearings." It is correct that the preliminary examination of the staff and committee of these allegations indicated that it was unlikely that conclusive findings of fact could be obtained. It is correct that some evidence would only be cumulative. It is correct that the preliminary examination of the staff and committee of these allegations indicated that it was unlikely that conclusive findings of fact could be obtained. It is correct that some evidence would only be cumulative. It is correct that the charges are being referred to the Department of Justice.

Nevertheless, I believe that further hearings on these allegations which were serious charges—charges which, if proven, could involve violations of law—might have provided the Senate and the public with better information as to their substance and their truth or falsity. In addition, it would have enabled Senator Dodd to respond to these allegations made against him.

My second reservation concerns the supplement, "Unauthorized Removal of Documents from Senator DODD's Office."

The committee has authority to deal with the acts of Senator DODD's employees. The consideration of their acts involves the public interest in the disclosure of wrongdoing, and also the problem of the custody of official papers of a Member's office and his personal papers—in the proper conduct of the office.

It was my position that the committee should make such recommendations as it determines necessary on this matter, separate from the report that has been filed, for the subject of the present inquiry is the allegations made against Senator DODD.

I informed the committee that I would make this statement on the floor of the Senate.

Mr. HOLLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Mississippi has the floor. Does the Senator from Mississippi yield to the Senator from Florida?

Mr. STENNIS. I will yield in a moment.

The Senator from Louisiana [Mr. LONG] has called to my attention a question and answer printed on page 752, part 2 of the official printed hearings.

This being part of the official record, I ask unanimous consent that an excerpt from the testimony of Michael V. O'Hare beginning at page 751 and ending at the third line at the top of page 753 be printed at this point in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Mr. SONNETT. I would like to read to you from page 243 of the printed record of your prior testimony, a portion, and ask you whether you wish to make any change now in that testimony. I am going to read from 243, Mr. Fern:

"Jim Boyd had spoken to me on a number of occasions during the month of July and August. He asked me finally around the middle of August 1965 if I would come out with him and meet with Jack Anderson. I agreed to this and after talking with Mr. Anderson, meeting him for the first time, hearing all that he did have in mind, sometime later convinced myself that his motives were honorable.

"The CHAIRMAN. Pardon me now. When was that? What was the date of this first meeting?

"Mr. O'HARE. With Jack Anderson?

"The CHAIRMAN. Yes.

"Mr. O'HARE. Around the middle of August 1965.

"The CHAIRMAN. All right.

"Mr. O'HARE. As I say, after meeting with him. I was convinced or at least within a few days, a short period of time after meeting him, I became convinced in my own mind that possibly some good could come out of the expose that he planned, and it was with this in mind that I finally agreed to join up and participate in it. From then on, I was an active member of the group as far as working, doing research for them, gathering actually any material. The documents which were taken as far as my own participation in it went, I do not believe that I took any great amount of documents probably until around the middle of October 1965. I may have taken a few copies here and there, but it was not until October, the middle of October, that I actually took any great amount.

"Mr. SONNETT. Was that after Terry Golden had been discharged?

"Mr. O'HARE. It was the weekend following Terry Golden's dismissal.

"Mr. SONNETT. And Terry Golden was your girlfriend?

"Mr. O'HARE. Yes, sir, and still is."

Is there any change you wish to make?

Mr. O'HARE. Probably a couple: First of all I would like to move up the date of my meeting; my first meeting with Mr. Anderson, and my active participation from middle August, which I stated was the date to the best of my knowledge. But after relating it back to other events, it would probably be closer to mid-July when I first met with Mr. Anderson.

I wouldn't care to make any change on the testimony about the bulk of the documents. What I would like to do is just try to correct some misunderstandings that have come because maybe at the time that the question was asked I wasn't alert enough to be aware of all of the implications.

From the moment that I met with Mr. Anderson, and I agreed to help, I was a totally cooperating member of this group who had as its goal to bring about an investigation of Senator Dodd. This isn't the type of thing that you go into halfway, especially not a Senate employee, where the name of Drew Pearson or Jack Anderson is anathema in any office. For four and a half years I worked very hard to get where I did. I went from $20 a week, as Mr. Fern brought out, to $10,500 a year, and I did it by working 12 hours a day and 14 hours a day, sometimes 6 or 7 days a week.

My decision to help Mr. Anderson and Mr. Pearson was made neither lightly nor maliciously. I engaged completely. I would have preferred that I had been able to separate myself from the office at the time that I agreed to cooperate with them. At their request I didn't leave the office. They said that

they would like me to remain on for as long as I could. I had some misgivings about this myself, because I knew the way people would look and say, "Well, here he is, a disloyal employee. He is on the payroll of Senator Dodd and at the same time he is taking all of these things from him and cooperating with a couple of columnists who are working against him."

But I believed if what we were to do was to be successful at all, and I certainly believed in the undertaking that I was to participate in, I had to do it wholeheartedly, and I believed that this required my staying in the office. So that for the period from mid-July until the time that I was off the payroll, I was cooperating entirely, committed in every way to assist Drew Pearson and Jack Anderson.

The investigation they were conducting, though, because of the nature of the activity itself, was becoming more and more bold. My position in the office was becoming more and more delicate. Every day that I walked in, it was a day-to-day existence. Would I be discovered today? Would I be fired? Would Senator Dodd today finally learn that here one of his most trusted members of the staff was indeed working against him and be ejected perhaps even physically from the office? It wasn't an easy thing to do. It's not that there weren't some doubts in my own mind at times. But I was being true to myself, and that was the important thing.

Miss Golden likewise was cooperating. When Senator Dodd fired Terry Golden, and we have already gone through this in the Klein hearings about the actual——

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. HOLLAND. The distinguished Senator has made reference to the conduct of four former employees of the Senator from Connecticut.

I wonder if the Senator would be willing to have printed in the RECORD that part of the report that deals with that subject matter, beginning with the title "Supplement—Unauthorized Removal of Documents from Senator DODD's Office," and covering pages 31 and 32 of the report.

I think it would be of very great interest not only to those persons on the Senate floor, but also to those throughout the Nation who read the RECORD as to just what is shown in the report on that subject.

Mr. STENNIS. Mr. President, I thank the Senator from Florida for his suggestion.

I ask unanimous consent that pages 31 and 32 of the report as filed by the committee be printed at this point in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SUPPLEMENT—UNAUTHORIZED REMOVAL OF DOCUMENTS FROM SENATOR DODD'S OFFICE

I. INTRODUCTION

The subject of the Investigation on which this Report is made is Senator Thomas J. Dodd. But the Committee would not be meeting its full responsibilities if it did not go beyond the disposition of the charges against Senator Dodd to the acts of his former employees in removing and using records from his files wtihout his authority. The evidence of these acts was developed incidentally to the main subject, but is complete enough for the Committee to present this Supplement as a brief report of the facts and Committee views.

II. FINDINGS OF FACT AND CONCLUSIONS

Findings of fact

During his initial appearance before the Committee, James Boyd, Administrative Assistant to Senator Dodd until May 1965, testified at some length that he and three other former employees, working together from about May to December 1965, removed about 4,000 documents from the files of Senator Dodd's office in the Old Senate Office Building, Washington, D.C., without authority, copied them and then returned the documents to the files (pp. 122, 123, 170, 171, 177, 184, Hgs.). His testimony was corroborated by Mr. Michael V. O'Hare, a former bookkeeper for Senator Dodd, who was one of the participants in the removal of the documents (p. 243, Hgs.). Both Boyd and O'Hare testified they were aided in the removal of documents by Marjorie Carpenter and Terry Golden, secretaries on Senator Dodd's staff until December 1964 and October 1965, respectively (pp. 123, 752, 753, 755, Hgs.). Both witnesses volunteered that they had removed documents, without permission of Senator Dodd, in order to substantiate what they believed to be evidence of serious wrongdoing (pp. 122, 752, Hgs.). Three of the participants in the removal of documents were not in Senator Dodd's employ at the time documents were taken. O'Hare remained on the staff until January 31, 1966, during which time he participated in the removal and copying of documents from the Senator's files (pp. 752–755, Hgs.). None of the four former staff members denied their participation in the removal process.

Boyd stated that the plan to remove documents was agreed upon only after prolonged consideration of the consequences (p. 170, Hgs.). The group ultimately provided the documents to newspaper columnists for publication, on the condition that after the documents were assembled they would be turned over to any legitimate authority upon request (p. 171, Hgs.). Using the documents as source material, the columnists wrote and had published between January 1966 and the present time many articles about Senator Dodd's activities.

Boyd testified that the group decided to have the documents published in the press to assure public disclosure of the facts in the hope that this would ultimately result in some form of official investigation into the conduct of Senator Dodd (pp. 170, 171, Hgs.). Boyd and O'Hare denied that they received any financial benefit in connection with the removal or the publishing of the documents (p. 171, Hgs.).

Senator Dodd testified that the former employees, two of whom he fired, were acting in revenge and because of vindictiveness.

Conclusions

1. James P. Boyd, Jr., Michael V. O'Hare, Marjorie Carpenter, and Terry Golden, each of whom was employed by Senator Dodd until between December 1964 and January 1966, collaborated in removing about 4,000 papers from Senator Dodd's office from about May to December 1965 without Senator Dodd's permission, copied the papers, and then returned them.

2. Boyd, O'Hare, Carpenter, and Golden gave the copies of Senator Dodd's papers to Washington newspaper columnists, who used the papers as the basis for many published articles about Senator Dodd in 1966 and 1967.

III. RECOMMENDATIONS TO THE SENATE

While the Committee recognizes the duty of every Senator, or officer or employee of the Senate, to report wrongdoing to responsible authorities, the Committee believes that the unauthorized removal of papers from a Senator's office by employees and former employees is reprehensible and constitutes a breach of the relationship of trust between a Senator and his staff, is an invasion of what must be considered privileged communications between a Senator and his correspondents, and is a threat to the orderly conduct of business of a public office.

Since the subject employees are no longer in the employ of the Senate, the Committee notes that any disciplinary action against them by the Senate is not possible.

IV. REFERENCE OF POSSIBLE VIOLATION OF LAW TO FEDERAL AUTHORITIES

In accordance with Section 2(a)(4) of Senate Resolution 338 of the 88th Congress, the Committee has directed the Chairman to refer to the Attorney General of the United States for his action or recommendation the matter of the unauthorized removal of papers from Senator Dodd's office by his former employees.

Approved:

JOHN C. STENNIS,
U.S. Senator, Chairman.
WALLACE F. BENNETT,
U.S. Senator, Vice Chairman.
MIKE MONRONEY,
U.S. Senator.
EUGENE J. MCCARTHY,
U.S. Senator.
JOHN SHERMAN COOPER,
U.S. Senator.
JAMES B. PEARSON,
U.S. Senator.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. BROOKE. Mr President, the distinguished Senator in his presentation referred to the matter of political and personal expenditures. No evidence has been presented as to how Senator DODD had divided political and personal expenditures.

Did the committee set forth any guideline as to what would be considered personal or political expenditures or a mixture of the two, or is there stated in the committee report or elsewhere the difference between what is a personal expenditure and what is a political expenditure?

It seems to me that the Senate will be bogged down as it considers the committee report and recommendation as to what is political and what is personal, and what is a mixture of the two.

Mr. STENNIS. I am glad to answer that question.

That particular matter will be expressly covered by the Senator from Utah [Mr. BENNETT] and the Senator from Minnesota [Mr. MCCARTHY], who served as a special subcommittee to go through the entire record and pick out the items which they thought in their judgment were so personal that they could not be considered political.

They are going to address the Senate and go into that very matter. I am sure they will give the Senate guidelines. The work of these two Senators was presented to us.

I give an outstanding illustration of what I consider to be a personal matter. That would be an income tax statement. Whatever a man owes for income tax is considered by me to be a personal matter, a personal debt, a personal obligation.

Repairs to his own home and items of that nature are so clearly and unmistakably personal that there could be little argument.

However, there are some other items that fall in the gray field.

I think the committee adopted mighty good guidelines. Anything connected

with campaigning or preparation for the campaign was considered political.

Mr. BROOKE. That is not contained in the committee report, as I recall.

Mr. STENNIS. It is true that it is not covered in detail in the report, but it will be developed here by the Senator from Utah and the Senator from Minnesota.

I will say something further on the subject later, but I want the two Senators to speak first.

I thank the Senator for his question.

RECESS

Mr. MANSFIELD. Mr. President I ask unanimous consent that the Senate stand in recess for 1 hour exactly.

The PRESIDING OFFICER Is there objection? The Chair hears none and it is so ordered.

At 12 o'clock and 55 minutes p.m. the Senate took a recess until 1:55 p.m., the same day.

At 1:55 p.m., the Senate reassembled, when called to order by the Presiding Officer (Mr. PROXMIRE in the chair).

Mr. BENNETT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names.

[No. 135 Leg.]

Aiken	Griffin	Morse
Allott	Gruening	Morton
Anderson	Hansen	Moss
Baker	Harris	Muskie
Bartlett	Hart	Nelson
Bayh	Hatfield	Pastore
Bennett	Hayden	Pearson
Bible	Hill	Pell
Boggs	Holland	Percy
Brewster	Hollings	Prouty
Brooke	Hruska	Proxmire
Burdick	Jackson	Randolph
Byrd, Va.	Javits	Ribicoff
Byrd, W. Va.	Jordan, Idaho	Russell
Cannon	Kennedy, Mass.	Scott
Carlson	Kennedy, N.Y.	Smathers
Church	Kuchel	Smith
Clark	Lausche	Sparkman
Cooper	Long, Mo.	Spong
Cotton	Long, La.	Stennis
Curtis	Mansfield	Symington
Dirksen	McCarthy	Talmadge
Dodd	McClellan	Thurmond
Dominick	McGee	Tower
Eastland	McGovern	Tydings
Ellender	McIntyre	Williams, N.J.
Ervin	Metcalf	Williams, Del.
Fannin	Miller	Yarborough
Fong	Mondale	Young, Ohio
Fulbright	Monroney	
Gore	Montoya	

The PRESIDING OFFICER (Mr. TALMADGE in the chair). A quorum is present. Under the order previously entered, the Senator from Utah [Mr. BENNETT] is recognized.

PRIVILEGE OF THE FLOOR

Mr. BENNETT. Mr. President, before I begin, during the call for the quorum the distinguished senior Senator from Kentucky [Mr. COOPER] asked me to yield to him in order that he might ask unanimous consent that, as a member of the committee, he might have Mr. William R. Haley, his legislative counsel, sit with him and have the privilege of the floor. The Senator from Kentucky does not seem to be in the Chamber and, therefore, I make the unanimous-consent request in his behalf.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and it is so ordered.

SUPPORT FOR ETHICS COMMITTEE RECOMMENDATION

Mr. BENNETT. Mr. President, as the vice chairman of the Select Committee on Standards and Conduct, it is my privilege to follow the distinguished Senator from Mississippi, the chairman of the committee, in supporting the committee's recommendations for the adoption of the resolution of censure now before the Senate.

It is not my intention to duplicate the well-expressed and clear statement of explanation that the chairman has just presented, other than to say, without reservation, that his views, as indicated by my signature on the committee report, have my unqualified concurrence.

As the ranking Republican on our committee, I feel I should begin by reminding the Senate of the nonpolitical nature of the committee's composition and conduct of its affairs. I believe that I can attest without hesitation to the political impartiality of our participation in the events which ultimately led to the censure resolution that is before us today. Most Members of the Senate will recall that the resolution which established the Select Committee on Standards and Conduct provided that the committee consist of six members of the Senate, of whom three shall be selected from members of the majority party and three shall be selected from members of the minority party. The wisdom of this provision is apparent from the balanced and forthright manner in which the committee has approached its responsibilities.

When the committee organized itself, it selected a chairman from among its majority party members and a vice chairman from among the minority party members. No decision of consequence has been made without a complete agreement between the chairman and the vice chairman.

At one of the first meetings of the committee, all members pledged themselves to undertake the tasks which the Senate has assigned to them without reference to party affiliation. In every subsequent meeting or conference, every member present participated fully in expressing his views with that pledge in mind.

Just as the committee membership is bipartisan, the committee determined that the staff would be nonpartisan. Initially, in selecting the chief counsel, and later in approving the selection of the other members of the committee staff, we looked solely for professional ability and objectivity. To this date, I do not believe that any member of the committee even knows how any staff member has voted in any elections.

Some outsiders who are not familiar with the functioning of our committee have indicated a belief that the committee may have been influenced by motives other than the maintenance of the integrity of the Senate. Let me state, Mr. President, that there has never been any outside influence exerted on the committee, either to take, or not to take, any specific course of action, either in the investigation of Senator DODD or on the handling of any other matters before the committee. Our colleagues in the Senate have been especially restrained and circumspect in avoiding what might have even appeared to be a suggestion to the committee, or to any of its members, as to how committee affairs should be conducted. Likewise, no evidence has been brought to my attention of the exertion of any pressure from any other channels, political or otherwise. The innuendo that the committee may have been influenced by Communist sympathizers in its action in the Senator DODD matter is so patently ridiculous as to be unworthy of an answer.

Not being a lawyer, I cannot readily cite legal authority and precedent for the various rights and priviliges that were conferred upon Senator DODD by the committee, both during its conferences with him and throughout the hearings which it held. However, as a Senator I think I have a fairly well developed sense of fairness and of what is right, and this has convinced me that the committee conducted its investigations and its hearings in such a way as to give Senator DODD every opportunity to present his case freely and in its most favorable light. And, of course, as Senators know, in addition there are three of the six members of the committee who are lawyers, and one of the three, our chairman, has had a broad experience and a distinguished record as a judge in his own State. To the extent that the concept of fair play needs to be translated into legal privilege, I am sure my lawyer colleagues saw that all these requirements were satisfied.

Immediately after being organized, the committee began at once to write committee rules of procedure, and on February 2, 1966—prior to the initiation of the investigation of Senator DODD—these rules were adopted. The rules for the conduct of committee hearings appear to be eminently fair to anyone who might someday appear before the committee as the subject of an investigation. Among other things, the rules provided that wherever possible, the hearings will be open to the public, that a witness might be accompanied by counsel of his own choosing, and that the record of his testimony be made available to him.

In addition, the rules permitted a person who is the subject of an investigation to submit questions to the committee for the cross-examination of all witnesses, and prohibits the operation during a hearing of cameras, outside microphones, or other distractions or harassments. When the committee was confronted by the probability that a hearing would have to be held, these rules were again revised and modified to insure even greater fairness to all parties concerned. Senator DODD, as will any other person who may in the future come before the committee, was further permitted to cross-examine all witnesses and to exercise that right, at his discretion, through his counsel. Senator DODD was also permitted to offer the testimony of witnesses and evidence on his own. The net effect of these liberalizations of our rules, I feel, was to allow Senator DODD every possible opportunity to avoid the emotionally trying ordeal of prolonged public hearings.

The early efforts of the distinguished

chairman and myself to get the facts before the committee without the necessity for lengthy and embarrassing hearings, eventually ripened into a stipulation as Senators have been told. While this agreement between the committee and Senator DODD as to many of the facts did not obviate the necessity for hearings, it shortened them considerably. Much of the basis of the censure resolution rests upon these admissions of facts by Senator DODD, but I want to emphasize that at no point was any compulsion ever exerted on Senator DODD to force him to enter into these stipulations. He and his counsel were given ample time to review the proposed agreement at considerable length and they did so; and his counsel, with his acquiescence, signed the stipulation as a completely voluntary act.

The committee viewed its assignment as a factfinding exercise. Until we could find the facts, we could not possibly inform Senator DODD precisely what he was going to be faced with at the hearings. Therefore, considerably in advance we did provide Senator DODD with detailed notice of the matters to which he would be expected to respond. First, since we were looking into charges relating to his conduct, we wanted to benefit as fully as possible from his own explanations before the hearings were held. Second, we constantly adjusted and stretched out our program in order that he might have as much time as necessary to develop and organize his position. The Senate is aware that it is nearly 18 months since this began.

As a further indication of the committee's interest in getting all the facts before it pro and con, we made available to Senator DODD the committee's subpena power so that he would be able to compel the attendance of whatever witnesses he chose.

In line with the committee's conception of its role as a factfinder, committee counsel was instructed to collect and present to Senator DODD all of the relevant facts, whether favorable or unfavorable. Neither the committee nor our counsel himself conceived of the counsel's role as a prosecutor. Someone had to assume the burden of the first move, and since the initiative was in the committee's hands, it fell to the committee counsel to be first to examine witnesses and present evidence. That he accepted his role as a factfinder is revealed by the names of several of the witnesses he called—Moriarty, Powers, McNamara, Barbieri, and Sullivan. Everyone knew before they were called that these witnesses would be favorably disposed toward Senator DODD.

Senator DODD was not required by the committee to appear as a witness, or to testify. At all times, the committee respected his right not to incriminate himself. Of course, he did appear, but as a result of his own choice.

At the time that the allegations against Senator DODD were first made public, the committee learned of the unauthorized removal of about 4,000 papers from Senator DODD's office. Because of the circumstances under which the documents were taken, and the consequent disrupting influence on the orderly conduct of the Senator's business, the committee decided that it would not make use of the papers in the determination of the facts relating to Senator DODD's conduct. Shortly thereafter, Senator DODD expressly requested that the committee obtain for him copies of each of the documents which had been taken from his office. The committee honored Senator DODD's request and, having obtained copies from the Department of Justice, had copies of these copies made available and given to him. Although a duplicate set was retained in the committee files, none of the papers were used in the conduct of the investigation, nor were any of them offered or received as evidence in the hearings. There were certain documents from Senator DODD's files used in the Klein or first phase of the investigation. These were provided to us by the Senator himself. Thus, the privilege which the committee attaches to a Senator's correspondence and records was respected. This policy decision by the committee obviously inured very greatly to Senator DODD's advantage.

By the time of the second series of hearings, which were concerned with Senator DODD's personal and political finances, the committee had gained much practical experience in the determination of what types of documents it would admit as evidence. The committee believed that a high level of authenticity could be established if persons who had knowledge of the facts in issue should testify in person. For this reason, the committee preferred not to accept any written statements, sworn or otherwise, unless a witness was unavailable. The deposition of Sullivan, Senator DODD's representative in Hartford, Conn., for example, was ordered only after a certificate had been received from Sullivan's doctor affirming that Sullivan should be excused from appearing in Washington for reasons of health. The only other exception to the admission of written statements in lieu of witnesses in the financial hearings, was made for the 400 affidavits offered by Senator DODD's counsel filed by persons who stated that their contributions to Senator DODD were a nonpolitical gift. This exception, again, was made for Senator DODD's sake because of the difficulty of taking testimony from such a large number of persons.

As is stated in the committee's report, "Hearsay evidence was limited and assigned appropriate probative value." Information gained from hearsay was held at a minimum; nevertheless, the committee saw no necessity to completely prohibit hearsay, for the six members of the committee felt that they could individually evaluate what degree of credibility should be assigned to such testimony. All of the members of the committee have had broad experience with Senate hearings and are capable of determining how much of a witness's statements can be relied upon. Moreover, the committee membership includes three lawyers, two of whom had been judges. As a matter of fact, no single fact based on hearsay alone was accepted on its face by the committee.

Prior to the first hearings, Senator DODD informed the committee that whenever he appeared as a witness he would submit to examination by members of the committee only and not by the committee's counsel. This request was honored at both hearings.

Almost from the outset, the committee was faced with repeated questions raised by Senator DODD concerning the jurisdiction of the committee and its methods of procedure. The most important of these questions was Senator DODD's contention that the committee lacked authority to make any investigation into his finances. When each one of these contentions were made, the committee afforded Senator DODD and his counsel all opportunity to raise every possible point in support of their arguments in a closed meeting of the committee. The issue of jurisdiction was raised several times by Senator DODD's counsel, and ruled upon by the committee on three occasions, they having decided in each of those three cases that it did, in fact, have jurisdiction.

One of the characteristics which distinguished the hearings by our committee was the respect and courtesy that were displayed by the committee and its staff toward all witnesses.

Upon completion of all hearings, the members of the committee held at least 10 meetings to deliberate on the findings, conclusions, and possible recommendations in the investigation. All of the members of the committee participated in almost every one of these meetings. Basic decisions were referred by the chairman to the committee for a vote. In each case, the vote was unanimous. Members themselves read and reread the various drafts of the report many times and contributed many suggested substantial language changes of their own. I think it would be fair to say that members of the committee wrote and rewrote the various drafts of the report many times, so that the resulting report is truly a committee product rather than merely a staff-written document.

From an examination of the several matters which I have selected to illustrate the committee's fairness to Senator DODD, I am sure the Senate will reach the conclusion that the committee has, in its desire to be completely fair to him, literally bent over backward for the benefit of the Senator from Connecticut. Aside from the collective sense of fairness and rightness which marked the committee's deliberations, all members recognized throughout that they were setting precedents for the future operations of the committee. This, therefore, made them doubly cautious in making sure that Senator DODD would not be handicapped in any way in presenting a response most favorable to his point of view.

As I said to begin with, I have not been educated in the law, but I have had some practical exposure to the law, both as a juror and, not the least lately, as a legislator. It strikes me that our hearings were probably more fair than those in many courts, and obviously more fair than most congressional hearings.

The chairman has spoken of the collection and use of the various moneys by Senator DODD through a program of seven fund-raising affairs, and a political fund-raising campaign, from 1961 through 1965. In explaining the committee's findings and conclusions as to the

disposition of these funds, the chairman observed that they decided, from the evidence, that Senator DODD had authorized the payment of at least $116,083 for his personal purposes.

It was also noted by the chairman that Senator DODD further authorized the payment of an additional amount of at least $45,233 from these proceeds for purposes which seemed to be neither clearly personal nor clearly political. It falls to me, now, to elaborate on the succinct explanation provided by our distinguished chairman with respect to the allocation of these funds.

From the facts provided at the hearings, the committee had before it a clear and complete explanation of at what time and for what purposes the various expenditures of the political funds were made. Most of these facts were contained in the detailed schedules of payments which were attached as appendixes to the principal stipulation between Senator DODD and the committee. The stipulation did not recite, however, all of the purposes of the many loans which Senator DODD repaid from political funds. In his own testimony, chiefly in answer to questions asked by the chairman, Senator DODD provided his recollections of the purposes for which most of the remaining loans were made. In effect, then, the record of the use of some $450,000 of political funds was based on Senator DODD's own admissions.

From this record, members of the committee proceeded to allocate all of the payments as being either for a personal or political purpose. Each individual item of payment shown in the various schedules and testimony in evidence was reviewed and discussed in detail. As our study proceeded, it became apparent that the information we had of the use of some of these payments was not exact or complete enough to support a definitive determination as to whether the purpose was political or personal. We, therefore, established a category to which the chairman referred, called the gray area. The gray area contained figures which could not clearly be defined as being either conclusively political or conclusively personal, although what information we did have was based almost entirely on Senator DODD's testimony.

In making this final allocation, we developed a series of criteria which was based upon our own experience as office-seekers, officeholders, and Senators. I should like to recite the principal criteria.

All loans which were used to pay income taxes we decided were personal.

The money to repay loans which were taken out to pay income taxes, we decided were personal.

All moneys to repay loans which were taken out to cover personal expenses as identified in the stipulation we decided were personal.

The cost of all air transportation provided to Senator DODD and to members of his staff between Washington, D.C., and New York City or the State of Connecticut we regarded as political. Obviously, we did not include in our totals any of the travel costs of trips made to a State other than New York or Connecticut in which the Senator made a speech, nor did we include the expenses involved in the six trips for which Senator DODD received repayment from private sources as well as reimbursement of his personal account from a political campaign fund.

The cost of air transportation provided to members of Senator DODD's family between Washington, D.C., and New York City or the State of Connecticut during the period of Senator DODD's 1964 political campaign was also regarded as political.

The cost of air transportation to Senator DODD, members of his family and his staff to locations other than in the State of Connecticut, with the exceptions referred to above, was considered to be purely personal.

Those oil credit card purchases by Senator DODD or his employees which could be related to any political purpose were regarded as legitimate political purchases. On the other hand, such purchases by members of Senator DODD's family, outside of the period of his political campaign, were determined to be personal. Railroad transportation for travel not involving Connecticut was similarly regarded as a personal expense, on the same basis as we had allocated the airline transportation.

All of the hotel and restaurant expenses of Senator DODD and his staff in Connecticut were labeled as political and campaign expenses. On the other hand, classified as personal were hotel and restaurant expenses of Senator DODD and his staff at locations other than in Connecticut and dues and house charges payable to the several clubs to which Senator DODD belonged, no matter where they were located.

Payments to the Senate restaurant and to Schneider's Liquor Store in Washington appeared to contain elements of both political and personal purposes and were, therefore, included in the gray area which were described in the hyphenated phrase "personal-political." Based on Senator DODD's own testimony in which he coined the phrase "personal-political," at least four loans were similarly treated.

With the facts before it and the criteria it developed, the committee allocated payments in the following amounts: From the net proceeds of the 1961 fund-raising dinner, all of which were deposited in Senator DODD's personal bank account, the payment of $33,000 for general, household, and personal expenses was considered as personal and not disputed; $625 was paid from the 1963 District of Columbia reception for personal purposes and included such items as Congressional Country Club charges, limousine service to a race track, and motel accommodations for some of Senator DODD's personal friends.

Payments from the testimonial for U.S. Senator THOMAS J. DODD bank account totaling about $5,700 were similarly determined to be personal and included such items as air transportation to Florida, Chicago, San Francisco, Texas, and other places by Senator DODD and members of his family during 1963 and 1964. Other payments from this account include country club charges and hotel bills for Senator DODD and members of his family. About $4,000 was expended from campaign bank accounts for such purposes as airline trips to Jamaica, Curacao, Miami, and London by Senator and Mrs. Dodd. Hotel and club bills were also paid out of this account. Propane gas service charges for Senator DODD's Connecticut residence were charged to this account.

Over $28,000 in political funds were used by Senator DODD to retire loans that had been made directly or indirectly to pay his Federal income taxes.

Another $27,000 of political money was applied to the repayment of loans made from late 1959 through 1962 for personal expenses.

Senator DODD diverted over $9,000 in political funds to payments for improvements to his Connecticut home. He gave his son $4,900 out of political campaign funds.

And so the list goes. I will not take the time of Members of the Senate to spell out in detail each dollar of personal expense or personal-political expense. But if any Senator desires further details of this allocation, I will supply them.

May I add that in the allocation of expenses between political and personal purposes, our estimates were on the conservative side, and wherever there was a doubt, we gave the benefit of the doubt to Senator DODD.

For instance, when the committee as a whole decided there was this area we have called the gray area and that it contained $45,233, the Senator from Minnesota [Mr. MCCARTHY] and I were assigned to go through this sum. We allocated the $45,000 to political, which included some Senate restaurant checks, some liquor bills, and these four loans.

These expenses represented the payment of many bills covering a period of 5 years and the use of at least seven different bank accounts. In addition, certain expenses were paid directly from cash received in connection with Senator DODD's political campaign or his various fund-raising events.

Mr. President, I have not attempted to range over the numerous facets of the committee's investigation. The distinguished Senator from Mississippi, as the chairman of our committee, has done that very ably. But having assisted in a special assignment to scrutinize the "gray area" of unclear expense allocations and recommend their disposition to the committee, I have dwelt at some length on this subject, and now, along with my chairman and the other members of the committee with whom I have the honor to serve, I will do the best I can to respond to any questions Senators may have, closing with the statement again that I completely support the committee's conclusions and recommendations.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. BENNETT. I am happy to yield.

Mr. COTTON. Perhaps I missed it, or perhaps it has been pointed out in the report of the committee, but I did not catch, from the Senator's statement, the total of all of the money from all of the dinners that was allocated to political expenses, the total in the gray area, so-

called, the questionable items, and the total for personal purposes.

Mr. BENNETT. On page 25 of the report, the Senator will find all of those figures. The total amount received was $450,273; and of this amount, the committee determined that Senator DODD had authorized for personal purposes——

The PRESIDING OFFICER. The Senate will be in order. The Senator will suspend until order is restored. Persons in the gallery will remember that they are guests of the Senate, and refrain from conversation.

The Senator from Utah may proceed.

Mr. BENNETT. From the total amount received, $450,273, Senator DODD authorized the payment of at least $116,083 for personal purposes. Senator DODD further authorized the payment of an additional amount of at least $45,000 from these funds for purposes which were neither clearly political nor personal; those were the gray areas. So out of approximately $450,000 we are left with the total of $116,083 for personal purposes.

Mr. COTTON. The total of the gray area?

Mr. BENNETT. $45,233.

Mr. COTTON. And the total of the political?

Mr. BENNETT. Well, we did not subtract, but if the Senator will add $116,000 and $45,000, the total is about $161,000. When that is subtracted from $450,000, something like $290,000 will remain.

Mr. COTTON. I thank the Senator.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. MILLER. Did I understand the Senator to say that the committee regarded all of the costs of club dues and clubhouse charges as being personal?

Mr. BENNETT. Yes.

Mr. MILLER. Did the committee take into account the fact that there could have been substantial entertaining of constituents from one's home State, either here in Washington or in Connecticut, and, that being the case, that this might qualify as a political-personal expense?

Mr. BENNETT. To offset that, the committee gave to the Senator as personal all of his expenditures for liquor and all of his expenditures in the Senate Dining Room.

It is necessary to make a more or less arbitrary division of things like that. But speaking for myself, as one member of the committee, I think a man can be a successful Senator without joining a club; and if he chose to join one or more clubs, I assume that it was because he wanted whatever benefits the club could supply to him personally. That is the basis on which I approached this problem.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. MILLER. May I continue for a moment?

As I understand it, then, there might have been a recognition that some part of the club expenses would have been political-personal, but inasmuch as all of the Senate restaurant expenditures were allowed, the committee felt that this would be an offset?

Mr. BENNETT. And all of the liquor.

Mr. MILLER. And all of the liquor. The committee felt that would be an offset, so there would be an equitable allocation of expenses?

Mr. BENNETT. That is the way I approach it.

Did the Senator from Louisiana wish me to yield to him?

Mr. LONG of Louisiana. Yes, I asked if the Senator would yield.

The Senator says he understands how someone could be excused and understood for entertaining his friends, even at a country club. Would the Senator explain how one can entertain his friends at a country club if he is not a member of it?

Mr. BENNETT. The Senator misunderstood what I said. I said a man could be a Member of the Senate without joining a country club.

Mr. LONG of Louisiana. Will the Senator yield for a further question?

Mr. BENNETT. I yield.

Mr. LONG of Louisiana. Assuming the Senator would like to entertain his constituents at a country club, how could he do so without joining the country club?

Mr. BENNETT. If the Senator has been in Washington as long as I think he has, and has not learned the answer to that question, I am astounded. There are hundreds of lobbyists who would be delighted to invite the Senator and his friends to country clubs to which they belong.

Mr. LONG of Louisiana. Would it not be better if the Senator did not have to call upon a lobbyist for a favor, in order to entertain his friends at the country club?

Mr. BENNETT. I go back to my original point: A Senator can entertain his friends without going to a country club. There are plenty of restaurants; there are plenty of other places of entertainment. To start on the basis that in order to be a successful Senator and take care of one's constituents it is necessary to have membership in a country club would wipe me out, because I am not a member of any country club in the Washington area.

Mr. LONG of Louisiana. I am a member of a country club in the Washington area and have not had time to go there in 3 years. The only time I went there, I entertained constituents. If I were a member because I wanted to entertain there, could I not maintain the country club membership for that purpose? The Governor of my State, who is presently in the Senate gallery, might be in town, and I might wish to entertain him at a country club. Does it not occur to the Senator that the fact that I have not used that club for 3 years, anyway, but have kept up my dues, might mean that I could be doing so because on some occasion I might not want to call in a lobbyist, but might wish to entertain someone of some importance in my State at a country club?

Mr. BENNETT. It would be up to each Senator to make his own determination.

Mr. LONG of Louisiana. The Senator from Utah said it was not necessary to entertain. I quite agree. I suggest to the Senator that it would be quite possible for me to accept the Governor's hospitality in the Governor's mansion and never return the courtesy; but I also suggest to the Senator that there is nothing particularly wrong about maintaining membership in a country club so that I will have some place to take my Governor when he is in town.

Mr. BENNETT. The Senator from Utah will have to come back to his original statement. He said it is not necessary to entertain in a country club. A Senator can entertain in his own home; he can entertain in one of a great many hotels. To pick out this item and say, "This is a necessary political expenditure," does not seem to be particularly appropriate.

Mr. LONG of Louisiana. I quite agree that it should not be necessary, but it might be a good idea.

Mr. BENNETT. I said that the Senator is free to make his own determination as to whether he wants to entertain his Governor at a country club and is willing to absorb the dues for 3 years so that the club will be available when he wants it. But when we come to the question of whether it is necessary to keep membership in a country club dormant for 3 years with the thought that someday a constituent may be entertained there, that seems to be stretching the point pretty far.

Mr. LONG of Louisiana. Did it ever occur to the Senator that it might be desirable, when a couple gets married, to send a wedding present, even though the Senator did not know either of the persons? I just happen to think that it is a good idea to send a wedding present, especially if it is a modest one, or even a telegram of congratulations upon their marriage, because they thought enough of me to send an invitation. Might not that help a man to be reelected?

Mr. BENNETT. I am sure the Senator could send a telegram on his Senate telegraphic allowance.

Mr. LONG of Louisiana. That is one of the biggest items of my nonreimbursable expense—communications. After that allowance has become exhausted, with what fund could I send a telegram?

Mr. BENNETT. I do not remember that we, in making our determination, made any judgment of the use by Senator DODD of communications.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. BROOKE. I asked the question of the distinguished chairman of the committee [Mr. STENNIS] as to what test should be applied by the Senate in evaluating the evidence and arriving at a decision. The Senator from Mississippi answered that the test would be left up to the individual Senators.

I now ask the question of the distinguished senior Senator from Utah: What test was applied, if any, by members of the committee in arriving at their findings and recommendation. Some evidence; a preponderance of the evidence; or proof beyond a reasonable doubt? Was any test applied by the members of the committee?

Mr. BENNETT. Since we were not a judicial body, I am sure we did not draw those lines and wonder at what point we moved from one area into the other area.

I would say that it was roughly—I

was going to say the preponderance. However, I would say it was probably beyond a reasonable doubt, because with respect to the Klein phase of the hearings, after we had gone through several days of hearings, we ourselves decided that the evidence we had developed at the hearings left us in doubt. So we did not include the reference to those hearings in our report to the Senate.

With reference to these financial affairs, it seems to me that the situation referred to may be a little academic, because we are dealing here with facts about which there is no doubt. And they were essentially all admitted.

Senator DODD is not accused of a crime. The problem we faced concerned a judgment as to whether these actions brought any disrepute to the Senate or damaged the image of the Senate. It does not matter how we phrase it.

We decided on the basis of the facts available to us that in our opinion that was the effect of the Senator's course of conduct. Because we were not in a strictly judicial capacity, we did not attempt to lay down the usual judicial pattern.

Mr. BROOKE. The charges against Senator DODD and the recommendation for censure are very serious. Although this matter is probably in the nature of a civil rather than a criminal proceeding, nevertheless, the result could be very grave. Certainly the censure of a U.S. Senator cannot be compared with a death sentence. But it could be compared with a life imprisonment sentence, if it were a criminal matter.

Mr. BENNETT. Perhaps I should answer the question by saying that in my opinion the information establishes the basis of the Senate's decision both beyond a reasonable doubt and by the preponderance of the evidence.

Mr. BROOKE. Now, sir, in mentioning the matters which the committee considered to be personal rather than political, one of the matters pertained to the travel of Mrs. Dodd outside of the State of Connecticut, or to Washington, D.C.

It certainly is conceivable that the wife of a U.S. Senator might be invited to travel with him to attend a political function, say, in Chicago, Ill. And it certainly seems that this might be considered a political expenditure or a proper political expenditure rather than a personal-political expenditure.

Although, we are here concerned with Senator DODD—and this is a most important matter before us at this time—I am sure that the committee understands, and must have understood, that if we abide by the guidelines set by the committee we are establishing a precedent which the Senate will be bound to follow in the future.

Are we going to follow all of the guidelines which the committee has set forth in its report and which the distinguished senior Senator from Utah has mentioned one by one, such as the country club expenses which were classified as personal rather than political? Will the Senate accept the guideline that the travel of the wife of a U.S. Senator, to a State other than his own is personal rather than political?

Are we going to judge all of these matters as they have been outlined by the committee?

Certainly, this is a matter of grave concern to the Senate, as well as to Senator DODD.

Mr. BENNETT. Mr. President, answering the first example, or responding to it, it seems to me that if the people of Illinois—and the Senator mentioned Chicago—felt that Senator DODD's presence was important to them politically, and they invited the wife of Senator DODD they should take care of the expenses.

If the Senator decided he wanted to take his wife along for the ride, then I think that would be his expense.

Mr. BROOKE. Perhaps the political committee might decide that it would be advantageous to have both the Senator and Mrs. Dodd in Illinois at a particular political function.

Mr. BENNETT. If there had been a showing that Senator DODD had, in fact, spent money in his personal travel which had a political relationship, we would have looked at it very carefully and probably thrown it over.

Mr. BROOKE. Then, the committee did not arbitrarily say that travel outside the Senator's own State is a personal expenditure.

Mr. BENNETT. No. We examined every single example.

Mr. PEARSON. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. PEARSON. Mr. President, I wanted to comment on the question asked by the distinguished Senator from Massachusetts.

Actually we had $450,273 involved, and there is hard evidence to indicate that in some particular instances, such as improvement to the personal home of the Senator and the payment of income taxes, we had a clear personal use of the money.

Then we would go up and down the scale and try to make judgment as to whether an expenditure was personal, political-personal, or political.

We thought we owed it to the Senator to come in with as precise figures as we could get.

As a matter of fact, we said to our counsel: "Check these out. Put them in each slot, and find out where they belong."

The counsel said: "I can't do it. I don't know."

Then we called on two Senators experienced in the political world and in politics generally. We assigned to them the problem of making this distinction.

They did this. We had them do it for the reason that we thought we ought to come with as precise figures as we could obtain.

However, we find on the edges of each one of these classifications some very great disagreement.

I do not think that the judgment of the subcommittee, coming with an allocation of funds as we did, can set down guidelines for every State and every Senator for all time.

This was done in an effort to come in with as clear an explanation as we could make.

Mr. BENNETT. I thank the Senator, who is an excellent lawyer.

Mr. BROOKE. Mr. President, I thank the distinguished junior Senator from Kansas for his clarification. I certainly understand that the committee had a Herculean task before it and its members have performed their task well.

I must nevertheless point out that if we are to use these guidelines—and I know the Senators spent a tremendous number of man-hours working on them—the guidelines will establish a precedent which Senators will have to follow in the future concerning the question as to what is a political expenditure and what is a personal expenditure.

It seems to me that this is such an important question that the Senate should be aware that there could very well be far-reaching by-products.

Mr. BENNETT. Mr. President, I should like to make the additional point, that while the guidelines seem to be drawn rather sharply concerning the travel items, if we found, as I indicated, that Mrs. Dodd had actually gone on a political mission, we did not let the guideline operate. We let the purpose of the trip control.

The guidelines were only used in situations in which there was no obvious political purpose to the trip.

Mr. BROOKE. Then, would it be fair to say that every expenditure stands on its own merits, and that we will judge each expenditure on the basis of purpose of the travel?

Mr. BENNETT. The Senator is correct. Eventually, we get into a gray area in which we do not have complete information as to the purpose of the trip. Those are the areas in which we used the guidelines.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. LONG of Louisiana. Mr. President, on page 25 of the committee report it is stated:

> From these funds, Senator Dodd authorized the payment of at least $116,083 for his personal purposes.

We have not to this date been accorded an explanation of what these items were.

There is some reference to a few of them. Will the Senator provide us with an itemized statement of what the $116,000 was expended for? If the Senator can provide the details as to why the committee felt that each of these items was for the Senator's personal purposes, would the Senator provide that for the RECORD?

Mr. BENNETT. I shall be very glad to provide a list, bill by bill.

Now, this is not charge by charge, because some of them are statements. The Senator did not pay cash for these services. He allowed the bills to run, and then he paid the statement.

I have the list, Mr. President, and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Proceeds of 1961–65 fundraising events and contributions to 1964 political campaign used for personal purposes

Stipulation	Amount	Remarks
A. Payments from 1963 District of Columbia Committee for Dodd bank accounts (stipulation, p. 897):		
1. American Express, July 12 and July 29, 1963—Rotunda Restaurant service	$59.92	
2. Army Athletic Association—Purchase of football tickets	116.70	
3. Billy Martin's Carriage House, October 1963—Payment for restaurant service	72.77	
4. C. & P. Telephone Co.—Telephone service to Washington residence of Senator Dodd	21.62	
5. Congressional Country Club, May to August 1963—House charges	82.32	
6. D.C. Transit System, Aug. 15, 1963—Limousine service, District of Columbia and Virginia	60.00	Limousine service to Charles Town race course for Senator Dodd, a son, and several staff members (undisputed testimony of Michael O'Hare, p. 735).
7. Diplomat Motel, July 24, 1963—Motel accommodations, John Turco and party	20.80	
8. Naval Academy Athletic Association—Purchase of football tickets	99.40	
9. Pennsylvania R.R. Co.—Travel to Connecticut	91.59	Transportation for Senator Dodd and members of family between Washington, D.C., and Connecticut (undisputed testimony of Michael O'Hare, p. 735).
Total	625.12	
B. Payments from testimonial for U.S. Senator Thomas J. Dodd bank account:		
1. American Airlines—Air transportation during period 1963 through July 1964, such as, trips to Tampa, Fla., Chicago, Ill., San Francisco, Calif., Tyler, Tex., Los Angeles, Calif., Detroit, Mich., by Senator Dodd and members of family (stipulation, pp. 993, 995–997).	4,265.38	
2. American Express, Sept. 23, 1963, Washington, D.C.—Restaurant service and 1965 membership dues, Senator Dodd (stipulation, p. 993).	61.93	
3. Billy Martin's Carriage House, February 1964—Payment for restaurant service (stipulation, p. 993)	15.47	
4. Congressional Country Club, December 1963–July 1964—House charges (stipulation, p. 993)	221.75	
5. Essex House, Nov. 28, 1963—Room, restaurant, and telephone service, Christopher Dodd (stipulation, p. 993)	45.50	
6. Galt Ocean Mile Hotel, May 23 to 29, 1964—Room, telephone, and miscellaneous service, Senator and Mrs. Dodd (stipulation, p. 994).	96.67	
7. Gulf Oil Co., July 16, 1963–January 25, 1964—Auto service, members of Senator Dodd's family (stipulation, pp. 994, 998)	159.36	
8. Hartford Club, November 1963–September 1964—Payments for house charges and dues (stipulation, p. 994)	306.51	
9. Humble Oil & Refining Co., November 1962–June 1963—Auto service, Christopher Dodd (stipulation, pp. 994, 998)	118.75	
10. New York Athletic Club, August 1963–January 1964—Room and miscellaneous club charges, Senator Dodd (stipulation, p. 994)	202.07	
11. Pennsylvania R.R. Co.—Travel expense to Connecticut (stipulation, p. 994)	33.28	
12. Statler-Hilton Hotel, February 13, 1965—Room and telephone service, Jeremy Dodd (stipulation, pp. 995, 1000)	46.54	
13. Texaco, Inc., July 10, 1963–June 3, 1964—Auto service, members of Senator Dodd's family (stipulation, pp. 995, 1002)	148.40	
14. University Club, July 1964—House charges, Senator Dodd (stipulation, p. 995)	30.40	
Total	5,752.01	
C. Payments from Dollars for Dodd bank account (stipulation, p. 938): 1. Southern Jersey Airways, Aug. 21, 1964—Air taxi service from Atlantic City, N.J., to Westerly, R.I., Senator Dodd.	136.00	Senator Dodd received $187.58 from Metromedia for travel expenses which amount included $136 for air fare from Atlantic City, N.J., to Westerly, R.I. (stipulation, p. 1015).
D. Payments from Dodd for Senator bank account:		
1. American Airlines, Inc.—Air transportation during period August 1964 through February 1965; such as, trips to Jamaica and Curacao, Miami, Fla., and London by Senator and Mrs. Dodd (stipulation, pp. 951, 954).	2,749.86	
2. Beckers—Payment to Washington store (stipulation, p. 951)	28.00	
3. Beverly Hills Hotel, Feb. 10, 1965—Room, beverage, and restaurant service, Senator Dodd (stipulation, p. 951)	60.59	
4. Congressional Country Club, November 1964–May 1965—House charges and dues (stipulation, p. 951)	96.18	
5. Coral Ridge Hotel, Florida—Room rental (stipulation, p. 951)	23.69	
6. Hartford Club, October 1964–September 1965—Payments for house charges and dues, Senator Dodd and Jeremy Dodd (stipulation, p. 952).	332.12	
7. New York Athletic Club, Jan. 28, 1965—club charges, Senator Dodd (stipulation, p. 952)	32.17	
8. Pennsylvania R.R. Co.—Travel to Connecticut (stipulation, p. 952)	72.68	
9. Statler-Hilton Hotel, Oct. 19, 1965—Room and telephone service, Jeremy Dodd (stipulation, pp. 953, 955)	30.39	
10. Suburban Propane Gas Corp., Feb. 8, 1964–Mar. 18, 1965—Propane gas service to Clarks Falls, Conn., residence of Senator Dodd (stipulation, p. 953).	49.13	
11. Texaco, Inc., Nov. 8, 1964–Feb. 18, 1965—Auto service, Jeremy and Christopher Dodd (stipulation, pp. 953, 957)	213.53	
12. University Club, September 1964–June 1965—House charges and dues (stipulation, p. 953)	151.38	
Total	3,839.72	
E. Payments from Federation bank account:		
1. Repayment of loans used to pay, directly or indirectly, Federal income taxes:		
(a) Federation Bank & Trust Co.—Loan of Apr. 11, 1962 (stipulation, p. 862)	8,088.31	
(b) George Gildea—Loan of Apr. 13, 1962 (stipulation, p. 863)	3,800.00	
(c) Gateway Co.—Loan of Dec. 5, 1963 (stipulation, p. 863)	6,950.00	
(d) William D. Leo—Loan of Mar. 12, 1964 (stipulation, p. 862)	5,500.00	
(e) Albert P. Morano—Loan of April 1964 (stipulation, p. 862)	4,250.00	
	28,588.31	
2. Improvements to Senator Dodd's North Stonington, Conn., home (stipulation, p. 862)	9,479.40	
3. Transfer to son, Jeremy Dodd (stipulation, p. 862)	4,900.00	
Total	42,967.71	
Total stipulation	53,320.56	

Testimony	Amount	Remarks
A. Payments from Riggs account: 1. Payment of general, household, and personal expenses with balance of net proceeds ($56,110) received from 1961 testimonial dinner (undisputed testimony of Michael O'Hare, pp. 732, 733)	$33,110.00	
B. Payments from Federation bank account:		
1. Repayment of loans used to pay personal expenses:		
Edgar Parser loan of Dec. 28, 1959 (Senator Dodd testimony, p. 824)	3,000.00	
Paul Kovacs loan of Feb. 10, 1960 (Senator Dodd testimony, p. 823)	3,702.00	
Howard A. Brundage loan of late 1960 (Senator Dodd testimony, pp. 821, 822)	7,500.00	
George Gildea loan (Senator Dodd testimony, p. 836)	1,200.00	
Manes, Sturim, Donovan & Laufer loan of Nov. 16, 1962 (Senator Dodd testimony, p. 819)	2,500.00	
United Bank & Trust Co. loan of Dec. 17, 1962 (Senator Dodd testimony, pp. 817, 818)	8,750.00	
Total	26,652.00	
C. Cash: International Latex Corp. contribution (Senator Dodd testimony, p. 827; Edward F. Sullivan testimony, pp. 1133, 1134)	3,000.00	
Total, testimony	62,762.00	
Total	116,082.56	

Mr. BENNETT. I will quote one or two items as examples. I am quoting from the first page. These are expenditures from the 1963 District of Columbia Committee for Dodd bank account.

Rotunda Restaurant, $59.92, paid through the American Express, for two meals, or two occasions.

Mr. LONG of Louisiana. Suppose that was for himself and his administrative assistant, to talk Senate business? Would the Senator find that that was necessarily a personal expense?

Mr. BENNETT. The Senator would have to go back a little deeper, to answer that question, but I am sure the answer is in the committee's files.

The Army Athletic Association, football tickets.

Mr. LONG of Louisiana. Suppose that happened to be for the people who were raising the money for the Senator to try to get him out of debt, and as a matter of good will toward them, he acquired six football tickets?

Is that the Army-Navy game?

Mr. BENNETT. It is.

Mr. LONG of Louisiana. Suppose he gave these tickets for the Army-Navy game to demonstrate his gratitude to these people because they were working to raise money to try to get him out of the $150,000 debt he had? Would the Senator feel that was a justifiable expense against that testimonial dinner?

Mr. BENNETT. Try this one: C. & P. Telephone Co., telephone service to the Washington residence of Senator DODD. I suppose the Senator will say that perhaps some of his constituents called him collect, and this he paid out of his home telephone bill instead of his office telephone bill.

Mr. LONG of Louisiana. Why not?

Mr. BENNETT. The point I am trying to make, and I am sure the Senator is trying to make, is that if one wishes, he can excuse every expenditure a Senator makes, including the necessity to buy a new necktie because his present one is a little shabby, and he is going to meet some of his constituents and he does not want to be ashamed. In the end, somebody has to make a subjective decision.

Mr. LONG of Louisiana. Suppose a man did not have a single necktie and he had to attend a session of the Senate? Might it not be that if he had no other funds to pay for it, he might have to use those funds?

Mr. BENNETT. Limousine service, $60. Charles Town racetrack, for Senator DODD, a son, and staff members. Is that a political expense?

Mr. LONG of Louisiana. Entertaining the office staff?

Mr. BENNETT. Entertaining the office staff.

Mr. LONG of Louisiana. That is a necessary expense, if you want loyal employees. The Senator is in all this trouble right now because he did not have loyal employees. Now read the next one.

Mr. BENNETT. I have never taken my staff to the Charles Town racetrack in a limousine, and I still believe I have loyal employees.

Mr. LONG of Louisiana. May I say to the Senator that it has been my privilege to go to the races with my administrative assistant; and while I did not charge it to the Senate, at the same time I realize now, having seen what happened to TOM DODD, that it is very important to have good relations with the administrative assistant.

Mr. BENNETT. There was $28,588 for repayment of loans made to pay his income tax.

Mr. LONG of Louisiana. Let us discuss that for a moment. The man has $150,000 of debts. For 3 years he is trying to pay off this $150,000 of debts from the money he has coming to him for legal work done previously and from his Senate salary for 3 years. In order to make enough money to pay off that $150,000—which is not deductible—he is going to have to pay taxes on that money. So, did it ever occur to the Senator that perhaps even that item might justifiably be carried against the cost of this campaign, because he had to make that much money in order to pay off this $150,000—none of which is deductible?

Mr. BENNETT. Unfortunately, the record fails to reveal an amount of $150,000 directly attributable to campaign losses.

Mr. LONG of Louisiana. With regard to the $29,000, is the Senator talking about $29,000 that was paid out of that testimonial fund?

Mr. BENNETT. No. I am talking about a series of loans repaid out of various funds, which loans were created for the purpose of getting money enough to pay income tax.

Mr. LONG of Louisiana. All I want to say to the Senator about this matter is that with this man $150,000 in debt, his friends undertook to hold a testimonial dinner, raised some money to try to get the poor fellow out of debt; and the whole purpose of this dinner was not to raise money for a campaign but to try to get the man out of $150,000 of debt for the previous two campaigns.

So when they raised this 60-odd thousand dollars, it would be perfectly proper and perfectly correct to use some of this $60,000, which they raised at this testimonial dinner to help get the man out of debt, to pay his income tax.

You cannot elect a man to the U.S. Senate if he is only one step ahead of the tax collector, and the tax collector is seizing his sound truck, seizing his stationery, seizing his personal account, seizing everything he has to pay off the Government tax.

As a practical procedure, he had every right to pay out of his testimonial money the income tax that he owed and to begin to get out of debt.

Mr. BENNETT. The Senator is arguing, as I understand, that since the Senator has to be in pretty good standing with the Internal Revenue Service in order to get elected, he can charge his income tax to political campaigns.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. McCARTHY. I believe the RECORD should show that this committee did not say that the Senator could not have a testimonial dinner to raise money to pay off income tax or any other personal expense. The wording of our censure resolution has to do with confusion over the purposes of the dinners.

I believe it to be perfectly legal to hold a testimonial dinner or to make some other type of appeal, if those to whom the appeal is made understand that the money is going to be used for personal purposes. Our committee did not say that this was wrong or improper. The charge the committee made has to do with the confusion as to the purposes of the dinners and the manner in which the funds drawn from several dinners were commingled and used.

On the specific question of what was used for personal purposes and what was used for other purposes, it should be noted that we started with a clear case—payment of the income tax. We moved on from that to expenditures with reference to the dwelling of the Senator. We moved on from that into a somewhat uncertain area.

We attempted to apply four general standards. We perhaps could have said that all of these personal expenditures could be run together, we could have laid it out, and let Senator DODD and his people stipulate what was personal and what was not—and they were free to do that in any case. Generally they did not respond to what we laid out, or attempt on their own to distinguish between what was personal and what was not. The usual answer was that the personal and the political were run together. They talked about personal-political expenditures and political-personal expenditures.

The committee believed that it should try to make some general distinctions; and we applied, as the vice chairman of the committee has said, a kind of geographical standard—first as to where the money was spent, in Connecticut or on the way to Connecticut.

We attempted to apply a time standard with reference to actual campaigns, the preconvention, the convention, the campaign itself, and a postcampaign period.

We attempted to apply a third standard with reference to the purpose for which moneys were spent, as far as we could determine, and for whom it was spent. Necessarily, this moved us into an uncertain area, a gray area, and we are willing to admit to that; we opened all of this up to Senator DODD in the hope that he could make clear distinctions for us. This was the expressed determination on our part.

The fifth standard we applied was that which the Internal Revenue Service uses on these matters, and the Internal Revenue Service does make distinctions, with reference to whether or not a Senator can deduct his fees at a country club. If the Senator from Louisiana wishes to do something about that, and I think he should, he could do it in the Committee on Finance. Internal Revenue makes a clear distinction as to what kind of expenditure for entertainment is personal, as to whether one can buy flowers for constituents and deduct the cost—or charge it as a political expenditure.

Insofar as we had any basis for applying the rules of the Internal Revenue Service and the distinctions the Service makes between a personal and a political

expenditure, we did so. I suppose we need not have tried to make that distinction. However, we thought we were carrying out the mandate in the resolution. We were setting up the committee and we thought we were expected to make a beginning toward laying down general rules of conduct and standards of ethics that we might expect Senators to follow in the future, but at the same time to make those judgments on the basis of the experience of the Senate.

We were careful not to move into areas in which we thought precedents should first be established by rule. We stayed away from the question of referrals. I assume that this is primarily the responsibility of bar associations but could be made subject of a Senate code.

We stayed away from the question of finder fees because we thought if we moved in this area the charge that we were imposing ex post facto rule could be sustained. We tried to move in an area in which the Senate could pass judgment, using only standards we had available, those imposed by Internal Revenue, and those relating to custom in fundraising and in campaign financing. We attempted to apply a general standard as to when the money was spent, and as to the purposes for which it was spent.

This is the basis upon which we present the case to the Senate with reference to the first item in the censure resolution. It is within this framework that the Senate should pass judgment on the committee recommendation.

Mr. LONG of Louisiana. Mr. President, the first stipulation on page 853 states:

1. Senator Dodd first campaigned for election to the U.S. Senate from Connecticut in 1956. He was unsuccessful. He successfully campaigned for election to that post in 1958. between 1956 and 1959, Senator Dodd borrowed a total of about $211,000. At the end of 1959 his personal indebtedness was about $150,000.

Would the Senator be willing to agree that that $211,000 which the Senator borrowed was, for the most part—at least 80 percent of it—borrowed to pay political expenses?

Mr. BENNETT. The Senator cannot agree to that because we have no evidence. On the contrary——

Mr. LONG of Louisiana. Did the Senator try to get it?

Mr. BENNETT. Yes, and somewhere in the background is my memory of the fact that the Senator gave us out of that experience about a $7,000 political——

Mr. LONG of Louisiana. At the end of 1959 his indebtedness was about $150,000.

Mr. BENNETT. I am sorry. Would the Senator repeat that statement?

Mr. LONG of Louisiana. The Senator may not have completed his first answer.

However, I am speaking about the $211,000 which the Senator owed.

Mr. BENNETT. He borrowed $211,000 between 1956 and 1959. There is no evidence that that was borrowed for political purposes or to repay political debts.

Mr. LONG of Louisiana. Is the Senator aware that in 1956 he owed virtually nothing when he started running for the Senate? He was virtually debt free.

Mr. BENNETT. Neither this Senator nor the committee has any knowledge of the financial dealings of Senator DODD, nor are we concerned with the period before the 1961 dinner.

Mr. LONG of Louisiana. Oh, it is enormously important, and that is one of the reasons the committee fell into error. I now begin to understand how the committee could have made this grievous error.

Is the Senator from Utah telling the Senate that the committee did not know that this $211,000 was an indebtedness that the man incurred in those 2 years while he made two unsuccessful campaigns for the U.S. Senate? Now, I begin to understand. Is the Senator saying that the committee did not know that these were political obligations?

Mr. BENNETT. The Senator is correct. I wish to point out to the Senator from Louisiana that the Senator from Connecticut had many opportunities to tell that to the committee, to point it out, and to give details. He appeared as a witness. We met him in executive session many times and he did not give us that kind of information. How could we know?

Mr. LONG of Louisiana. Now, I begin to understand how there could be such a complete difference of opinion. To this Senator it has been clear all the time.

The man started running for the U.S. Senate in 1956 with no indebtedness. He was virtually debt free. Then, after he ran he lost and he then had a substantial debt. Then, he tried again. By the time he had been elected and paid what he could out of his personal income to pay political expenses, the next statement is made in the committee report that at the end of 1959 his personal indebtedness was $150,000.

Do I understand the Senator to say that the committee did not realize, nor did the Senator realize, that the $150,000 was mostly an indebtedness incurred to become a Senator?

Mr. BENNETT. The Senator is saying that Senator DODD had ample opportunity to make that clear to the committee and failed to do so. I think the committee cannot be charged with ignorance because we began our investigation with 1961 and he had ample opportunity in our discussions to say to us, "I was $150,000 in debt politically so I had to have a dinner to pay that debt." But there was no such evidence coming from the Senator from Connecticut.

Mr. LONG of Louisiana. As I have said, I now begin to understand why we are so completely at odds on the conclusions we would reach in this case. When the Senator from Connecticut speaks, we will understand this. It may be that the Senator did not know that the committee did not understand this; that he took it for granted the committee would understand this.

We shall now proceed to find out the nature of this indebtedness.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. BENNETT. I am happy to yield.

Mr. STENNIS. Mr. President, I wish to refer the Senator to page 835, which refers to the point I made this morning about the examination of Senator DODD. The Senator from Utah has already referred to it. The point to which I refer is near the top of the page. In order to refresh our recollection, the question was propounded by me:

The CHAIRMAN. Now frankly, that is all the information that we have been able to get as the Chairman understands, with reference to these items.

Was not that the beginning of the questioning by the committee on these very loans to which the Senator from Utah and the Senator from Louisiana had been referring?

Mr. BENNETT. The Senator is correct.

Mr. STENNIS. I shall continue to read from page 835.

The chairman said:

Now I think if you possibly can, it would certainly be relevant, and perhaps helpful to you to give more definite information than the date and the amount and the name of the lender.

Does not that question refer to the stipulations that had been put in by the Senator from Connecticut, and he gave us only these items that I have related?

Mr. BENNETT. The Senator is correct. I think there are other figures which are interesting and which appear a little below that reference on page 835.

Mr. STENNIS. Yes.

Mr. BENNETT (continuing reading):

The CHAIRMAN. I meant to ask you, to be certain now that you are not misled, these are listed here, and totaled for the years.

For instance, there on appendix 7, it is 1956, that is $14,500 total; 1957 has a $36,000 total. And 1958 has a total here on this list of $90,000; 1959, $70,000.

In other words, the loans were going up every year even though there were only two political campaigns.

Mr. STENNIS. Those were loans which the committee was trying to get the Senator from Connecticut to explain, to his advantage of course, if he could; is that not correct?

Mr. BENNETT. Yes. Let me read further from page 835:

The CHAIRMAN. And they total $211,000, and we were not able to develop any of the facts with reference to those loans as to what the money was borrowed for and what it was used for. Certainly we could not complete the record, and that is what we want you to help do. It shows an outstanding balance by the way of $149,000 on January 1, 1960.

All Senator DODD would say was: "I think that has practically all been paid now."

Mr. STENNIS. Refreshing the recollection of the Senator from Utah further, does not the record show, on the next page, that we went into one loan, my question did, regarding the George Gildea loan and it was developed that that was $3,800 with reference to a tax matter, I believe——

Mr. BENNETT. Income tax.

Mr. STENNIS. Yes, and $1,200 for an automobile.

Mr. BENNETT. That is right.

Mr. STENNIS. And we did not get any other evidence along that line even though we opened it all up; is that not correct?

Mr. BENNETT. Yes. This bears out what I was trying to say to the Senator from Louisiana [Mr. LONG], that the committee could not get information as to the reason for, or the source of the

$211,000 worth of loans and, therefore, we could not assume that they were political loans.

Mr. MUSKIE. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I am happy to yield to the Senator from Maine.

Mr. MUSKIE. The committee has identified $116,000 as representing, first, an expenditure. Did this expenditure include any payments on the indebtedness of $150,000 which represented Senator DODD's personal indebtedness at the end of 1959?

Mr. BENNETT. Those expenditures included $28,588 payments on loans created for the purpose of paying income tax.

Mr. MUSKIE. Were those loans included in the $150,000?

Mr. BENNETT. I do not know. I have no way of knowing. The Senator from Connecticut would not supply us that information.

Mr. MUSKIE. In any case, did the committee conclude that any of the $116,000 represented personal expenditures because it was included in the $150,000 indebtedness that was outstanding in 1959?

Mr. BENNETT. Let me back up—those loans did not include any of the expenditures—loans outstanding in 1959—oh, I now see I have dates.

The first one for $8,000 was made on April 11, 1962. The next one for $3,800 was made on April 13, 1962. The next one was made on December 5, 1963. The next one was made on March 12, 1964. The next one was sometime in April 1964. Thus, none of this $28,588 represented loans that were in existence before April 11, 1962.

Mr. MUSKIE. To put it another way, the $150,000 indebtedness outstanding in 1959 was outside the $116,000 which the committee has identified as personal expenditures; is that not correct?

Mr. BENNETT. That is right.

Mr. GORE. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I yield.

Mr. GORE. Did the $159,000 increase in personal debt operate, in the Senator's mind, as a net increase in indebtedness, or was it incurred in consequence of acquisition of assets?

Mr. BENNETT. This Senator cannot answer that categorically, but he suspects that if we could get all the facts about it, we would find an increase in acquisition of assets, plus probably the cost of living which might have been counted as part of his current income.

Mr. GORE. The Senator says he suspects. He does not know that as a matter of his own knowledge?

Mr. BENNETT. We have no way of knowing. We do not know what that was made up of.

Mr. LONG of Louisiana. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I am happy to yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Let me say to the Senator that as I commend the distinguished chairman of the committee, I want also to commend the Senator from Utah, as vice chairman, for doing his duty as he sees it. I am confident that every member of the committee is working to enhance the standards of the Senate. The Senator from Utah is doing his duty as he sees it. Even though I may differ with the conclusion he reaches, I believe that he is one of the great members of this body. His conduct, as far as I am concerned, is absolutely above reproach.

Mr. BENNETT. I appreciate that. If I suddenly discovered that 99 Senators agreed with me completely, I would begin to wonder what was wrong with me.

Mr. BROOKE. Will the Senator from Utah yield?

Mr. BENNETT. I am happy to yield to the Senator from Massachusetts.

Mr. BROOKE. We are here concerned solely with private funds, as I understand it. No public funds have been made the subject of any allegations; is that not correct?

Mr. BENNETT. That is right.

Mr. BROOKE. We are then concerned with private funds donated to Senator DODD, through the purchase of tickets or direct contribution. These funds were to be used either for political or personal purposes. Senator DODD has distributed to the Senate affidavits from individuals who say under oath that they intended their contributions to be used by Senator DODD for personal expenditures.

My inquiry is: Did the committee have witnesses who appeared before it, or did the committee have affidavits from witnesses, to the effect that they had made their contributions purely for political purposes. And further, if the answer is in the affirmative, was the committee able to establish whether such contributions were used for personal purposes by Senator DODD?

It seems to me that this is the key question. I do not find in the committee report any statements of witnesses to that effect.

Mr. BENNETT. The committee had to rely largely on letters, newspaper reports, and other public information for its interpretation for the reasons for the dinner. That is where we disagree with Senator DODD. He says these dinners were given with the understanding that he could use the money any way he pleased. He chose to use some of it for political purposes and some of it for personal purposes.

With respect to the 400 affidavits, I am sure that our record will show—although I do not have it at the tip of my tongue—the total number of people who attended these dinners. Therefore, the 400 affidavits represent a very small percentage—well, let us say less than a third of those who attended the dinners. These people were approached by Senator DODD's representatives, or the representatives of his attorney, with a form. They were not given a choice "Will you check off whether this is a political contribution or a personal contribution."

They were in a printed, or at least a produced, form, and they were asked to sign them. If they signed them, they indicated this was to be personal. In some cases, this was 6 or 7 years after the fact.

I am also aware that the people who went out to solicit the signatures for the affidavits realized Senator DODD's problems, and they probably conveyed to the people who were to sign the affidavits the feeling that this was one way that they could help Senator DODD. So it has been my personal feeling that this affidavit was not an example of a free recollection of the situation. It was a very clever means of trying to persuade the people, at no cost or hurt to themselves, to help their friend TOM DODD. Those who did not agree with the language of the affidavit, of course, did not sign it.

We do not know how many affidavits were offered and rejected, or we do not know whether they carefully screened the list of the persons to whom they went to be sure of their signatures.

Mr. BROOKE. Will the Senator yield?

Mr. BENNETT. I yield.

Mr. BROOKE. Does the Senator know whether any affidavits were offered and rejected? Was there any evidence before the committee which indicated persons were solicited to sign the affidavits who did in fact refuse to sign them?

Mr. BENNETT. I will check into the committee hearings to see if we can locate it. I think the answer is in there.

Mr. BROOKE. At any rate, the Senator is stating that no witness appeared before the committee who testified that he had contributed his money purely for political purposes?

Mr. BENNETT. That is correct.

Mr. BROOKE. And the only evidence before the committee was in the form of invitations, newspaper clippings, and letters, which indicated that the purpose of these dinners was to raise funds for political use?

Mr. BENNETT. That is correct. The Senator from Utah thinks there is another significant thing, which has not been discussed. If the first testimonial dinner, for example, were really a testimonial dinner to help a man who was in deep personal debt, does not the Senator imagine there would have been people other than political leaders who would have been invited to the program? Does he not think that perhaps town authorities, if they were not members of his own party in Connecticut, would be invited? Does not the Senator think there would be evidence of his friends? The dinner was conceived and managed out of his own office. They had a Republican in there to kind of "sweeten the pot," though he did not come—Senator Bridges, of New Hampshire, but it just seems to me, if one looks at the makeup of the stickers and the people who performed the various functions in the dinner, he sees they are all political entities.

Mr. BROOKE. Will the Senator yield?

Mr. BENNETT. I yield.

Mr. BROOKE. The Senator from Massachusetts certainly understands what the Senator from Utah is saying. As a member of the bar, I have never served on a jury, and I am finding the experience of sitting in the capacity of a juror an unhappy one. What the Senator says is unquestionably the truth. But, on the other hand, it seems to me that the Senate must base its finding on the evidence, not on conjecture, nor on circumstantial evidence that is presented to it. Certainly, there must be a presumption of innocence in favor of Senator DODD. It is my opinion that the burden of proof is upon the Ethics Committee which has

submitted the resolution to the Senate for adoption.

I would like to know what evidence the committee has that there were persons who contributed to Senator DODD and who stated to the committee, either verbally or through written affidavits, that they had made their contributions purely for political purposes.

Is there any evidence in committee to counter the evidence submitted in affidavits by Senator DODD? We cannot go beyond the affidavits. They speak for themselves. Presumably they are legal. Considering the total number of contributors, I agree that 400 affidavits is a small number. But the committee has introduced no affidavits or testimony in rebuttal. What evidence is before us then that there were persons who contributed to Senator DODD with the understanding that the funds would be used for purely political reasons?

Mr. COOPER. Mr. President, will the Senator yield?

Mr. BENNETT. Yes. I would like to get another able lawyer into this discussion.

Mr. BROOKE. I am disturbed by this question. I think it should be answered.

Mr. COOPER. I understand the Senator's question. It is appreciated. It goes to a question which should be cleared up.

Mr. STENNIS. Mr. President, will the Senator speak louder, so we can hear over here?

Mr. COOPER. We have to look at the situation from the standpoint of the time when these events occurred.

The PRESIDING OFFICER. There will be order in the Senate Chamber.

Mr. COOPER. As I said, I think we have to look at the situation as of the time these events occurred. I know the Senator, and all of us, must make our judgments upon the reports, the facts and explanations. If questions raised here challenge the report, or the facts upon which we made our recommendations, they must be answered.

Again I go back to my proposition that we must look at these events from the standpoint of the time they occurred. The Senator has asked very properly, what was the evidence which at that time, on what facts could we adduce evidence, as of the time the events occurred, which led us to believe unanimously that they were political events?

In answer, it is because, first, the events occurred during a period when the distinguished Senator from Connecticut was, or had been, a candidate for office, or was looking forward to being a candidate for office.

Second, the communications that were sent out by the managers of these events encouraging attendance speak of them, with one exception, as connected with campaigns, either to make up deficits or to provide for the needs of a coming campaign. That is positive evidence, certainly directed to affect or induce a person who was invited to come to the event. Was one invited to come to contribute to a political campaign or political need, or to come to make a contribution to assist a man and a friend in his personal expenses? What was it that bore upon the mind of the person who received the invitation?

First, I think one would have to say, from reading the record, that there was evidence of their political nature considering the events were held in a period of campaigns—past, present, future; second, there was the evidence of the invitations speaking of campaigns; this was that direct evidence.

Again, as to the newspaper accounts, while I myself do not give them the greatest weight, showed the atmosphere in which the events were held.

Again the fact that those who were invited and who spoke were members of one political party, gives some evidence of the nature of the events although they might also have spoken at a testimonial.

Mr. LONG of Louisiana. Mr. President, I must insist on the regular order. The Senator can be brief in making his speech. I will permit it, but there has been a unanimous consent that the Senator from Connecticut is to be recognized next.

The PRESIDING OFFICER. The Senator from Utah has the floor, and he can yield only for a question.

Mr. COOPER. Mr. President, I was trying to address myself to a question that was asked.

Mr. BENNETT. Mr. President, I ask unanimous consent that I may allow the Senator from Kentucky, out of order, to continue his discussion.

Mr. LONG of Louisiana. Mr. President, reserving the right to object—and I shall not object—I simply would hope that the Senator would be brief. I understand the Senator from Connecticut [Mr. DODD] is scheduled to take the floor next. I would hope that the Senator would try to be brief in stating what he has in mind.

Mr. COOPER. I understand. I heard the distinguished Senator from Massachusetts ask a perfectly proper question, which I think any Senator would expect to be answered. We have the responsibility to state what evidence we based our judgment upon.

The PRESIDING OFFICER. No objection is heard, and the unanimous-consent request is agreed to.

Mr. LONG of Louisiana. How much time?

The PRESIDING OFFICER. No limitation on the time has been stated.

Mr. LONG of Louisiana. Then I must object. I would like to have some understanding about how long this will go on.

Mr. COOPER. Three minutes.

Mr. LONG of Louisiana. The Senator can take even 5 minutes.

Mr. COOPER. All right.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 5 minutes by unanimous consent.

Mr. COOPER. I have stated what I believe are the positive elements of evidence. Now I will refer to the affidavits. During the course of the hearing, the distinguished Senator from Connecticut offered as evidence the affidavits. As the Senator from Utah has pointed out, the letters were prepared by counsel, and it was stated to the committee, they were sent out to those known to have attended the dinner, and about 400 answers were received. I do not know whether any refused to sign, but at least 400 did sign.

I think the Senator knows that if the committee had wanted to be legalistic, if it had wished to raise all kinds of legal objections, we could have objected to their admissibility. An affidavit given several years after the event would not be likely, as contemplated in law, to portray the intention of the person at the time he bought a ticket.

But we did not make any objection, and agreed that the affidavits should come in for whatever weight they might have.

They hold some value as to the intention of the person, without question. But concerning the basis of what affected the intention of a person at the time he bought a ticket, the reasons I have stated are evidence which might be more properly received.

I finally say that even beyond this question of what was intended, although that is important, another question is involved, and that is whether this whole practice of testimonials or dinners for personal expenses is a proper practice.

Mr. President, I think we were fair in our judgment of the facts.

Mr. BROOKE. Mr. President, I thank the distinguished Senator from Kentucky.

Mr. BENNETT. Mr. President, just one brief comment. I should like to refer my friend, the Senator from Massachusetts, to pages 911 and 970 of the hearings, each of which pages contains a letter which is a clear indication that whoever wrote that letter was soliciting political campaign money.

Now, Mr. President, having been praised by my friend, the Senator from Louisiana, I recognize that as my cue to sit down, and I will now take advantage of it and yield the floor.

The PRESIDING OFFICER. Under the previous unanimous-consent agreement, the Senator from Connecticut is now recognized.

The Senate will be in order.

Mr. LONG of Louisiana. Mr. President, will the Senator from Connecticut yield to me for a brief statement?

Mr. DODD. I yield.

The PRESIDING OFFICER. Is there objection? Without objection, the Senator from Louisiana is recognized.

Mr. LONG of Louisiana. Mr. President, I would like to express my high regard for the Select Committee on Standards and Conduct. I would be willing to have my life on trial before these members, if they were sitting as the jury.

Unfortunately, Mr. President, this committee, composed of six of the most completely honorable men in the U.S. Senate, were in the unhappy situation of being required to act as investigator, prosecutor, judge, and jury.

The committee, in complete good faith, fell into error. It is easy for me to understand how this happened. Had I been a member of the committee, starting from the committee's point of departure, wandering around in the confused forest of lies, stolen documents, treachery, deceit—never once being in position to stand on a high barren hill and look

down on the entire forest to see it in its proper perspective—then I too would probably have recommended censure of TOM DODD.

For example, Mr. President, it has never really occurred to the committee even yet, that this is not a case of the U.S. Senate against TOM DODD, nor is it a case of the people of the United States against the U.S. Senate. The Senate is not on trial here, as I will demonstrate in the course of this proceeding.

This is the case of Drew Pearson and others against THOMAS J. DODD. It is the legislative version of the case of THOMAS J. DODD against Drew Pearson and others, pending downtown in the District Court for the District of Columbia.

The committee report and its resolution constitute a charge that THOMAS DODD is a thief, that he is guilty of stealing money. This is not true at all. Quite to the contrary, Jack Anderson and four treacherous office employees are the thieves.

They stole more than 4,000 documents from the office files of an honorable man in a compulsive desire to destroy that man.

Now, let me explain for the benefit of my colleagues what I mean when I refer to theft:

There was once a proliferation of criminal laws of Louisiana relating to the wrongful obtaining of property. If a man simply stole your property in broad open daylight and did not have to enter a building to do it, this was known as obtaining property by larcency. If he broke into your home or your office to steal your property, this was known as burglary. If he obtained your money by artifice and fraud, using fraudulent documents, this was known as obtaining by false pretenses. Or, if he was working with confederates, this was known as operating a confidence game.

If the man was in a position of trust, such as the teller in a bank, and he pocketed the money of his employer and spent it for his own advantage, this would be known as embezzlement.

It was a frightful problem for an honest district attorney to prosecute a thief when it was not quite clear precisely how he wrongfully denied someone his property. If he charged a man with larceny and he later found that it was embezzlement, the man would go free because the charge was larceny instead of embezzlement. For that reason, we in Louisiana consolidated all of the offenses into one single crime—theft.

From the point of view of a simple farmer, a workingman, it was just like saying "he stole my money," since the public would not much care whether he broke into a building, came into possession of the money in relationship of trust, obtained it by using a fraudulent document or by pretending that he was someone that he was not.

Now, Mr. President, fundamentally, THOMAS J. DODD is being tried here on a charge of theft.

The first charge is that he obtained money on the theory that these funds were needed to discharge expenses incurred in his campaign, when, in fact, he obtained these funds in order to fatten his private bank account and increase his net worth.

It is charged secondly that he billed both the Government and private organizations twice for a number of trips which he took for the purpose of making money out of it.

It has already been shown, and the proof will be amplified in the course of this defense, that TOM DODD did not knowingly double-bill anybody ever either directly or indirectly.

We shall also prove that, far from making money over and above his salary out of politics, TOM DODD is in the red by $55,670.

Standing in the rear of the Chamber is a chart which I intend to use later on, but which I wish to use at this point also.

I ask unanimous consent that a copy of the chart, and a supporting statement which documents the figures it cites be inserted at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

DOCUMENTATION OF FIGURES USED TO SHOW OUT-OF-POCKET DEFICIT

Dodd's political expenses exceeded his contributions

Expenses:	
Unreimbursed costs of office	[1] $101,353
Campaign and political expenses	[2] 247,937
Politically connected debts, 1956 and 1958 campaigns	[3] 120,000
Total	469,290
Receipts:	
Testimonials	[4] 167,330
Campaign contributions	[5] 246,290
Total	413,620
Out of pocket deficit	55,670

[1] Senator Dodd spent $101,353 from his *personal* bank account for political purposes. This information and the computation of the amount is contained in Senator Dodd's memorandum regarding testimonial funds circulated to the Senate on May 17, 1967, at pages 10 and 11.

This information was available to the Select Committee but was not considered.

[2] The figure $247,937, which represents Senator Dodd's total political expenses (not including political debts as computed below in footnote 3) from *campaign* and *testimonial* funds is computed as follows:

From campaign funds:	
Total campaign funds as found by the Select Committee. (See report, par. E, page 25)	$246,290
Less:	
Total personal expenses paid from campaign funds as set forth in schedule 1 of appendix C to Senator Dodd's memorandum of June 9, 1967, regarding constitutional issues involved	3,109
Subtotal for campaign and political expenses paid from campaign funds	243,181
From testimonial funds:	
Total political expenses paid from the testimonial account as set forth in schedule 3 of appendix C to Senator Dodd's memorandum of June 9, 1967, referred to above	110,663
Less:	
Total deposits of campaign funds in testimonial account. See pages 2–3 of appendix C to Senator Dodd's June 9, 1967, memorandum	105,906
Subtotal for political expenses paid for with testimonial funds	4,756
Grand total of campaign and political expenses	247,937

[3] Politically-connected debts derived from the 1956–1958 period when Senator Dodd ran first unsuccessfully and then successfully for U.S. Senator were repaid in the amount of at least $120,000. That figure is based on the $150,000 debt acknowledged by the Select Committee in paragraph 1 of the stipulation between the Committee and Senator Dodd (Hearings, Part 11, page 853), less the $30,000 mortgage on his Washington home included in the $150,000 total. (See hearings, Part 11, page 1031.)

[4] The amount $167,330 represents a deduction of the expenses associated with the various testimonial affairs from the Committee's figure of $203,983 (Report, para. D, pg. 25) which is a gross figure. The *net* figure was computed by deducting the following expenses from the Committee's figure of $203,983 gross:

Expenses of 1961 testimonial (Par. 9 of the stipulation and hearings, pt. 11, p. 854)	$8,134.61
Expenses of District of Columbia reception (Par. 20 of the stipulation, hearings, pt. 11, p. 855)	965.44
Expenses of 1963 Connecticut events (Par. 30 of the stipulation, hearings, pt. 11, p. 857)	4,885.94
Expenses of 1963 and 1965 testimonial (Schedule 2 of Appendix C to Senator Dodd's memorandum of June 9, 1967.)	$22,667.65
Subtotal for testimonial costs	36,653.64
Gross	203,983.00
Expenses	36,653.00
Net testimonial receipts	167,330.00

[5] The figure $246,290 for campaign contributions was taken directly from the Select Committee's Report (Paragraph E, page 25).

Mr. LONG of Louisiana. Mr. President, this man is $55,670 behind as a result of his political expenses, rather than being ahead.

That chart shows that, of the unreimbursed cost of being a Senator, the man had $101,353 of expenses which have been computed by his accountants and which we contend will stand anybody's analysis.

He had campaign and political expenses of $247,937.

He had politically connected debts of $120,000 during the 1956 and 1958 campaigns.

That is a grand total of $469,290.

Against that, the Senator had the benefit of testimonial dinners given for him for a total of $167,330. Call them testimonial dinners or fundraising dinners or whatever you want.

He had had campaign contributions of $246,290, for a total of $413,620.

This man is in the red as the result of his service here in the Senate by a total of $55,670.

He has not stolen a nickel from anybody. He has not stolen a red copper cent.

All we are talking about here is that, having incurred these tremendous obligations in running for office, the man found it necessary to call upon his friends for help. And they were only too anxious to help.

This committee looked almost with contempt upon the affidavits of 400 people from Connecticut who signed a sworn statement that they were putting up that money to help this man because he needed some help, knowing that he was deeply in debt, and having done so, they did not want a nickel of it back.

They gave the money to him for whatever purpose might be required.

Mr. STENNIS. Mr. President, will the Senator yield for a question?

Mr. LONG of Louisiana. I will yield in a moment when I complete my statement.

Mr. President, the committee might not look upon this as admissible evidence, but every one of those witnesses was available. They could have called every one of them.

If the committee was not going to accept the affidavits, it should have been willing to stipulate that that is what the witness would have testified if the committee had called him.

Furthermore, the committee sent counsel up to Connecticut to try to get the affidavits of people that "we did not intend that this money would be used for the man's personal account."

With all of the efforts of counsel to get an affidavit in Connecticut to the effect that a donor gave some money and was disappointed to find that some of this money may have been used for the man's personal service, all counsel got were affidavits that as far as the donors were concerned, they gave the money for whatever purpose was necessary.

Here is such an affidavit, and TOM DODD did not get it. Committee counsel got it. I am not sure that he made it available to Senator DODD, but he got a copy of it in any event.

The affidavit states that the man is a Republican and went to this dinner. It states that he went there to help TOM DODD with his personal expenses.

Mr. President, I ask unanimous consent that the affidavit of Mr. William H. Mortensen be printed at this point in the RECORD.

There being no objection, the affidavit was ordered to be printed in the RECORD, as follows:

STATEMENT

I, William H. Mortensen, 22 Wampanoag Drive, West Hartford, Connecticut, do voluntarily make the following statement to the Select Committee on Standards and Conduct of the United States Senate. I realize that I am not required to make this statement and do so willingly without duress or promise of reward.

I attended a dinner in Hartford, Connecticut in November, 1961 for the purpose of honoring Senator Thomas J. Dodd. The dinner was held in the Statler Hotel. I received an invitation to the dinner in the form of a letter I think was signed by Matthew Moriarty or a Mr. Powers of Berlin but I no longer have a copy of that letter. I don't believe that the letter mentioned the purpose for which the funds were being raised, but I personally did not regard the dinner as a political gathering and I did not care what use was made of my $100 contribution. As far as I know all tickets were sold for $100 per person. I recall that there were approximately 900 to 1,000 persons present at the dinner. Most of the persons in attendance were Democrats but there were also some well-known Republicans present—for instance Edward N. Allen, former Lieutenant Governor, as I recall.

I had no discussions concerning the proceeds of the dinner with Senator Dodd or any of his staff. It is my opinion that the dinner was intended to be a personal testimonial for Senator Dodd. Testimonial dinners have been fairly common in Connecticut and I believe they are generally held as personal tributes rather than political or campaign purposes. As a Republican I would have felt out of place at a dinner which was solely a Democratic fund raising affair.

I also attended a $100 a plate dinner for Senator Dodd in March, 1965 at the Statler Hotel in Hartford. I was given a ticket to the dinner by someone, whom I honestly do not recall and so did not contribute $100 myself. I recall receiving a letter from Matthew Moriarty, Treasurer or perhaps Arthur Barbieri of New Haven, inviting me to the dinner in 1965 and I believe that the letter emphasized the testimonial aspect of the dinner and did not mention any fund raising aspects, as I recall. The letter did not specify any particular use for the proceeds of the dinner to my recollection. I would estimate that the proceeds from the 1965 dinner would have reached $80,000 based on the number of persons present.

In particular, I recall seeing Henry Nielsen, office—122 Washington Street, Hartford, home—Ridge Road, Wethersfield; Herman Wolfe, office and home: 20 Turkey Hill Circle, Greens Farms, Connecticut; Mervyn Lenz and Samuel Lenz (Brescomb Distributors) 230 Locust Street, Hartford, at the 1965 dinner, the latter three at my table.

I do not have any letters, programs, correspondence or other documents relating to either the 1961 or the 1965 dinner in my possession.

WILLIAM H. MORTENSEN.

Subscribed and sworn to before me this —— day of ———, 1966.

———— ————,
Notary Public.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. STENNIS. Mr. President, are the figures to which the Senator has referred on the chart figures that the Senator from Louisiana is vouching for?

Mr. LONG of Louisiana. Yes. I will vouch for those.

Mr. STENNIS. What is the Senator's knowledge of them? I did not hear the Senator when he first got the floor. He might have given the source of his personal knowledge about them, but I did not hear him do so.

Will the Senator tell us now what his knowledge is of those figures?

Mr. LONG of Louisiana. I will be glad to do that.

The figure of $120,000, we took from stipulation 1. That concerns the personal indebtedness of $150,000.

Thirty thousand dollars was a mortgage on the man's home in Washington, D.C.; a home which he acquired between the time he was elected and the time that he became a Senator.

We are by rights entitled to fatten that figure by $36,000. On this $211,000, there was a reduction of $61,000 between the time the man was elected and the time he took office; $36,000 of that $150,000 was money that was paid out of personal income to redeem political expenses.

By rights, that figure should be different. It should be $150,000 or $156,000. However, that figure had its genesis in stipulation No. 1.

The $167,000 is computed from the committee figure of $203,983 as the gross proceeds from the testimonial affairs. The $167,000 is the result of subtracting the costs of conducting the testimonials. The $246,000 is the committee's figure.

Mr. STENNIS. The Senator mentioned a figure of $120,000. What is that figure based upon?

Mr. LONG of Louisiana. That is the indebtedness of Senator DODD from running for office in the primaries and in the general election—the primary in 1956, and the primary and general elections in 1958.

Mr. STENNIS. Has Senator DODD testified to that effect?

Mr. LONG of Louisiana. Well, he will have the opportunity to testify.

Mr. STENNIS. Did he testify to that effect before the committee, according to the Senator's examination of the record?

Mr. LONG of Louisiana. I am not in a position to answer that question. The Senator might know better than I would, but Senator DODD will speak for himself here.

Mr. STENNIS. The Senator uses that figure now. The Senator did not find that figure in the record, did he?

Mr. LONG of Louisiana. I found this figure of $211,000 and the figure of $150,000 in the record.

Mr. STENNIS. But the Senator did not find the figure of $120,000 in the record?

Mr. LONG of Louisiana. No. That is what I arrived at.

Mr. STENNIS. The Senator has no personal knowledge of it. Is that correct?

Mr. LONG of Louisiana. I have some personal knowledge of it, yes. I have discussed it with Senator DODD and with his accountants.

Mr. STENNIS. My point is that at this stage of the debate the $120,000 figure has not been supplied by anyone that knows about the facts themselves or that has personal knowledge of the record. Is that not correct?

Mr. LONG of Louisiana. That figure was supplied to me by Senator DODD's lawyers and accountants and Senator DODD.

Mr. STENNIS. Did they give any reason to the Senator from Louisiana as to why they did not supply it to the committee?

Mr. LONG of Louisiana. It was not discussed.

Frankly, when I looked at this, and up until I heard the speech by the Senator from Utah, I had been assuming that the committee was prepared to state that this $150,000 of indebtedness was indebtedness that had been incurred, for the most part, in campaigning for office

in 1956 and 1958—in one unsuccessful campaign and one successful campaign.

Mr. STENNIS. The Senator from Louisiana had not looked at any of the evidence or made a check of it, so far as the evidence is concerned?

Mr. LONG of Louisiana. I made a check.

Mr. STENNIS. The Senator did not find it in the evidence. If the Senator does not mind, will he just answer my question? I merely want to establish the fact.

Mr. LONG of Louisiana. I have made a statement, but what I am going to explain is somewhat different from what I have said. I think we had better wait until the Senator from Connecticut has made his statement; then I shall take the floor and make my presentation in chief.

Mr. STENNIS. My point now is that the Senator from Louisiana is not speaking from facts that have been established from any evidence or of any facts from the Senator's personal knowledge. Is that correct?

Mr. LONG of Louisiana. I am speaking from personal knowledge, which I would say should be better documented, and I believe will be as the case proceeds.

Mr. STENNIS. So the Senator's figures, after all, have not been documented by facts?

Mr. LONG of Louisiana. It never occurred to me that that would be necessary, until I heard the Senator from Utah [Mr. BENNETT].

Mr. STENNIS. I thank the Senator for yielding.

Mr. LONG of Louisiana. There is another figure on the chart that I can document; and this, incidentally, is the one that the committee declined to take an interest in. I am not sure that the committee ever looked at it. It is something that the committee did not even look at.

I contend—and I am confident that I am correct about this—that it is permissible for a Senator to spend campaign expense money to cover some of the costs that are not reimbursed—some of the essential costs of being a U.S. Senator. I have claimed them both ways. Usually I have claimed these expenses to be necessary public relations expenses which are not expenses of running for office. I have claimed them that way. The reason I have is that I wanted to deduct such expenses for income tax purposes. That is usually the objective.

But it is quite true that when I was claiming them in that way, the Internal Revenue Service was trying to make me pay taxes on income which I used to pay those expenses, contending that the expenses were political. So the Internal Revenue Service was contending that the expenses I now relate are political. I was contending that they were public relations expenditures that go with being a good Senator and are not covered by Senate reimbursement.

Suppose one needs lawbooks or needs newspapers to keep up with what is going on in his State. He subscribes to newspapers. He has expenses for photographs and news clips for radio and television. One of my principal expenses is the making of radio and television clips for broadcasting in my State, to keep the folks there aware of what is going on. I want to keep the people informed; that is why I claim those expenditures as a deduction. Most people do it as a help toward having themselves reelected, to try to help them get some radio and television time and some newsletters back home, over and above expenses, saying if you do not do some of this, you are not going to be reelected. I certainly do it for myself. Telephone and telegraph expenses generally run over and above what the Senate allows. What if somebody calls and wants to be called back? To call him collect is something people think a Senator should not do. These are the types of expenses we are talking about.

I ask unanimous consent to have a letter printed in the RECORD at this point. The committee, I believe, failed to see it; but here it is, if the chairman would like to see it now.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. STENNIS. I do not know what the Senator means when he says the committee did not want to see a paper. The committee has been trying to see any paper from any source that would shed light on this matter, for months and months. The Senator and I have talked about this case, and the Senator never offered evidence or anything else. The Senator from Louisiana talked about this case, but never offered me or any other member of the committee any evidence.

Mr. LONG of Louisiana. I could not have offered this to the Senator until a day ago.

Mr. STENNIS. Is the Senator now reading from testimony? Is that from the expense account of the Senator from Louisiana or is it from Senator DODD's expense account, or what is it, and how does the Senator verify it?

Mr. LONG of Louisiana. The letter is self-explanatory. It is from Thompson & Belloff, certified public accountants, 931 Bonifant Street, Silver Spring, Md.

Mr. STENNIS. If Senator DODD wishes to introduce that in evidence, I certainly will not object; but if it is submitted by someone who does not know anything about it and who does not vouch for it in any way, I submit that it has no place in this record at this time.

Mr. LONG of Louisiana. It is signed. It is not forged. It is not forged by O'Hare. This was signed by the people themselves, and I vouch for that.

Mr. STENNIS. The Senator has no personal knowledge of this matter. Is that correct?

Mr. DODD. I may be able to help both Senators.

Mr. STENNIS. If Senator DODD wishes to offer something he vouches for, I have no objection. I would be glad to have it.

Mr. LONG of Louisiana. I made reference to a figure. The Senator wanted me to document it, and I documented it, and here is a statement signed by the people, and it is available to the committee; and if the Senator thinks I am not telling the truth, he can call these people.

Mr. DODD. I believe I can help clear up this matter. I believe this document was included in the letter of May 17, which I sent to every Member of the Senate.

Mr. STENNIS. If that is correct, and the Senator wishes to introduce it in the RECORD, I have no objection.

Mr. LONG of Louisiana. Do I understand correctly that the Senator would object if I asked unanimous consent?

Mr. STENNIS. I will not object if it is properly verified, but I have the duty to see that we stay on the proper track.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. BENNETT. I would prefer to have Senator DODD yield to me. I have just been handed—I find it on my desk—a paper which says "Memorandum from THOMAS J. DODD," and another paper which says "Appendix," which has no identification. Under the rules, this cannot be put on the desks unless it is identified.

Is this an appendix to the memorandum which has already been put on the desk?

Mr. DODD. Yes, I believe it is. It could have been better identified. I believe the first line does say "Dodd Political Expenses."

Mr. LONG of Louisiana. The Senator from Utah asked the wrong Senator to yield.

Mr. BENNETT. This is a procedural matter. I should like to ask the Senator from Louisiana to yield, then, in order that I may ask Senator DODD a question.

Mr. LONG of Louisiana. I am afraid I must decline to yield that way, because the Senator is talking about something I did.

Mr. President, I did not know that what is on the Senators' desks had been distributed by the pages, but I am happy that it has been. If there is some objection, we will try to accommodate everyone. I do not know of any law that states that I cannot put up a chart in the Chamber so that someone can cross-examine me about those figures.

I have just been cross-examined about how I would go about documenting those figures; well here it is in this memorandum, to try to satisfy that type of cross-examination.

Mr. President, if Senators feel that I cannot put a statement on someone's desk, I will ask that we remove the statement, and I will talk about it later.

Mr. BENNETT. The only point is that I was trying to determine whose statement it was.

Mr. LONG of Louisiana. It is mine, and I regret that it was not labeled as such.

Mr. BENNETT. The Senator has answered the question, and the objection is removed.

Mr. LONG of Louisiana. I thank the Senator.

Mr. President, very crucial to the difference of opinion between the committee and those of us who favor Senator DODD is that his defenders feel that this man has been the victim of all sorts of smears and falsehoods circulated in newspapers throughout the Nation for some 15 months; that this was a deliberate plot

by columnists Drew Pearson and Jack Anderson. I want to put it in the RECORD on my own time, because I was not permitted to do it on the Senator's time, for reasons I understand.

It is very clear that this whole thing was a plot by Jack Anderson, for reasons best known to him. That is how it all started; that is all it is about.

I like Jack Anderson. I know him for what he is, and I still like him. I even like old Drew Pearson. In my opinion he is a lovable crocodile.

Mr. President, I wish to read an excerpt from the Wall Street Journal:

Late last year, Mr. Anderson continues, he made contact with several men who were then or had been Dodd's aides and who did not like some of the things he (the Senator) was doing.

He made contact with them. This is quoting Mr. Anderson:

It started slowly. First one assistant, then another, eight in all. Finally, I got most of them together and we talked, and one would spark another's memory. They made up a list of over 50 items of things that were questionable. They made copies of documents from his files to support the point.

That is not quite true. They stole the documents, and Jack Anderson's secretary used a copying machine to make copies. Mr. Anderson's staff made the copies. Jack did not want to admit to that reporter that he was guilty of those crimes with which he is connected—4,000 acts of theft—and I do not blame him. I certainly would not want to be prosecuted for that.

They made copies of documents from his files to support the points and passed them to me. From there we did a lot of checking with all sorts of people who had had dealings with Dodd.

Then, here is the Mark Evans show. Mark Evans had Jack Anderson come in and tell how he did all of this. I quote:

ANDERSON. And, anything as far as I am concerned as a reporter, the public has a right to know about.

EVANS. No matter how you go about getting it?

ANDERSON. Yes, when Senator Dodd, for example, uh, his activities, came under our scrutiny, we got documents that came out of his files. His own employees who took those documents discussed it with me before they did. I put it this way to them. I said, You don't work for Senator Dodd. I said, you work for the taxpayers. Now let's say that you were working for a great corporation and your immediate superior was cheating the stockholders. Would your obligation be to that superior, or would it be to the stockholders? To the Corporation? And they all agreed that it would be to the Corporation.

That was televised on a Washington station, so everyone could see and hear it.

These former employees were persuaded by Mr. Anderson that they should engage in this course of conduct. They committed more than 4,000 acts of theft.

Then, O'Hare came in. He was the principal witness, or was so regarded by the committee. If I had been on the committee and had heard his testimony, I would have considered him the most damaging witness against TOM DODD. Look at the impression he made on the chairman today. I quote from the Chairman's presentation:

Now, a word about these employees. I believe that with one exception—and I will state it—virtually everything in their testimony is either admitted or agreed to or substantiated over and over again.

The chairman goes on to say:

The exception is Mr. O'Hare. Mr. O'Hare, a young man, was not one of the original people who rifled these files. He was still employed there and, as I recall, did not know anything about it for some time, but he finally got into it; and I believe that, within itself, was a wrong. I have heard the testimony of many people who had done things wrong, and I do not suppose I have ever heard testimony of anyone who never had committed a wrong.

That would sound as though the chairman thought that O'Hare was an ordinary fellow like the Senator who might make a mistake on occasion, but who would not over a period of months continually steal and lie. He must have made a good impression on the committee. To continue:

After following him closely all the way through his testimony, checking on him in every way that counsel and I could, comparing what he said to us about dozens and dozens and dozens of matters and finding them as he said they were, testifying as he did in open hearings—under terrific pressure, naturally, because of the subject matter—and with the background of our checkup on all these other things, his testimony about his keeping of these travel records was very convincing.

Do Senators know what I find? I find that when O'Hare came in, in effect he was asked: "Do you understand that TOM DODD could not authorize you to steal from the Federal Government or private employers; that if you did, even under his instructions, you committed a crime?" He said "Yes." In effect, he said yes because he was told: "Do you not realize that the fact that Senator DODD might have been wrong does not excuse you if you did this?" Mr. O'Hare said, "Yes, he understood that."

Then, there is the trip to Los Angeles. Mr. O'Hare swore under oath that this was a double billing. He was asked: "Did it ever occur to you that Senator DODD did not go alone; that he was accompanied by Mrs. Dodd and Judge Gartland; that there were three tickets involved, one of which was paid out of the testimonial fund, the other was paid for by the junior chamber of commerce, and the other paid by the Government?"

He was asked: "Did it ever occur to you that this was not a double billing at all; that the junior chamber of commerce knew Mrs. Dodd was to go and they were anxious to pick up one ticket and that presumably was the ticket for Mrs. Dodd?" Mr. O'Hare said, "No, that ticket was for Senator DODD."

Look at what this man was swearing to under oath. He was swearing that the U.S. Government paid for Mrs. Dodd's ticket when the U.S. Government obviously could pay only for Senator DODD's ticket. The junior chamber of commerce paid for Mrs. Dodd's ticket. He swore to a crime he did not commit.

On that charge of double billing—the trip to Los Angeles—the committee correctly found there was no double billing.

When Mr. O'Hare admitted that he stole from the Government in connection with that trip to Los Angeles, he actually claimed himself to be guilty when he was not guilty. He was not guilty of stealing on that one. He lied. Here is a perjurer and a thief—who is not particular from whom he steals, and was engaged with other people in a conspiracy to destroy a Senator.

To this moment the committee apparently does not fully comprehend this horrible conspiracy, with the result that this man was regarded as an extremely credible witness. The truth is that he is a liar, a perjurer, and a forger. Two of these charges he admits, and the other we will prove in due course.

Mr. President, those who are going to judge TOM DODD should be here. It is not fair for a man to vote as a juror if he has not been present to hear the defense. The offense has been heard over the last 15 months, mostly through the distortions in the Drew Pearson-Jack Anderson column. I think Senators should at least be here during the discussion of this matter while the defense is being made and hear honest speeches in Senator DODD's defense.

Therefore, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HOLLINGS in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll, and the following Senators answered to their names:

[No. 136 Leg.]

Aiken	Griffin	Morse
Allott	Gruening	Morton
Anderson	Hansen	Moss
Baker	Harris	Muskie
Bartlett	Hart	Nelson
Bayh	Hatfield	Pastore
Bennett	Hayden	Pearson
Bible	Hill	Pell
Boggs	Holland	Percy
Brewster	Hollings	Prouty
Brooke	Hruska	Proxmire
Burdick	Jackson	Randolph
Byrd, Va.	Javits	Ribicoff
Byrd, W. Va.	Jordan, Idaho	Russell
Cannon	Kennedy, Mass.	Scott
Carlson	Kennedy, N.Y.	Smathers
Church	Kuchel	Smith
Clark	Lausche	Sparkman
Cooper	Long, Mo.	Spong
Cotton	Long, La.	Stennis
Curtis	Mansfield	Symington
Dirksen	McCarthy	Talmadge
Dodd	McClellan	Thurmond
Dominick	McGee	Tower
Eastland	McGovern	Tydings
Ellender	McIntyre	Williams, N.J.
Ervin	Metcalf	Williams, Del.
Fannin	Miller	Yarborough
Fong	Mondale	Young, Ohio
Fulbright	Monroney	
Gore	Montoya	

The PRESIDING OFFICER. A quorum is present.

Mr. LONG of Louisiana. Mr. President, I understand the Chair has just ruled that a quorum is present.

The PRESIDING OFFICER. The Senator is correct.

Mr. LONG of Louisiana. I appeal from the ruling of the Chair. There is no quorum present here.

The PRESIDING OFFICER. The record shows that a quorum responded to the rollcall and there is no appeal.

Mr. LONG of Louisiana. Mr. President, I suggest the absence of a——

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. Who has the floor?

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. MANSFIELD. Mr. President, I thought that the Senator from Louisiana was interested in getting the distinguished Senator from Utah to yield the floor so that the distinguished Senator from Connecticut could make his speech. I understand that this was arranged so that the proper publicity could be gotten this afternoon. Is that correct?

Mr. LONG of Louisiana. Yes; but what dismays me is that I have counted as many as 30 vacant chairs in this Chamber, and Senators have no right to vote on this matter if they are not going to be here to hear it. I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, would the Chair recognize the Senator from Connecticut? I will then suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. MANSFIELD. Mr. President, will the Senator from Connecticut yield without losing his right to the floor?

Mr. DODD. I am glad to yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 137 Leg.]

Aiken	Fong	Mondale
Allott	Gore	Monroney
Baker	Griffin	Montoya
Bayh	Hansen	Moss
Bennett	Harris	Muskie
Bible	Hart	Nelson
Boggs	Hatfield	Pastore
Brooke	Hayden	Pearson
Burdick	Hill	Pell
Byrd, Va.	Holland	Percy
Byrd, W. Va.	Hollings	Prouty
Cannon	Hruska	Proxmire
Carlson	Jackson	Randolph
Church	Javits	Ribicoff
Cooper	Jordan, Idaho	Scott
Cotton	Kuchel	Smathers
Curtis	Lausche	Stennis
Dirksen	Long, Mo.	Tower
Dodd	Long, La.	Tydings
Dominick	McCarthy	Williams, N.J.
Eastland	McClellan	Williams, Del.
Ellender	McGee	Young, Ohio
Ervin	McIntyre	
Fannin	Miller	
Morton	Sparkman	Talmadge
Russell	Spong	Thurmond
Smith	Symington	Yarborough

The PRESIDING OFFICER. A quorum is present.

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that there be printed in the RECORD immediately following the quorum call a list of Senators who were actually present, but were unable to get their names listed as having answered to the quorum call.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Anderson	Fulbright	Mansfield
Bartlett	Gruening	McGovern
Brewster	Kennedy, Mass.	Metcalf
Clark	Kennedy, N.Y.	Morse

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, I am conscious of the fact——

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

Mr. DODD. Yes.

Mr. LONG of Louisiana. Would the Senator mind asking the Chair how many Senators answered to their names on that quorum call?

Mr. DODD. No, I do not mind asking him. I will ask the Presiding Officer.

The PRESIDING OFFICER. Seventy Senators answered to the quorum call.

Mr. DODD. I am sure I know what the Senator from Louisiana is driving at. I am, of course, most anxious that every Senator hear me. I realize it is late in the day and that we all have a lot of other things to do. I know it was also agreed and, I believe, announced by the majority leader and minority leader, that we would sit until 6 o'clock.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. LONG of Louisiana. May I say I have been anxious to have the Senator from Connecticut make his statement today, so much so that he has released his speech to the press. The wire services may already be reporting the prepared text of the speech. May I say I have just been advised by a lawyer who is assisting me, and whom I regard as one of the great lawyers of this country, that it would be inadvisable to have the Senator from Connecticut make his speech with so many Senators absent.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. MANSFIELD. May I say to the assistant majority leader, a lawyer is not a Member of the Senate.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. LONG of Louisiana. May I say, with all due deference to my distinguished majority leader, whom I very much admire, that we are sitting here in a judicial capacity.

Mr. MANSFIELD. The Members of the Senate are judging this matter—not lawyers who are accompanying Senators. I would hope that that distinction would be kept in mind.

Mr. LONG of Louisiana. It remains nonetheless that I have a right to talk to my lawyer.

Mr. MANSFIELD. But lawyers have no right to advise the Senate as a whole.

Mr. LONG of Louisiana. Senators have a right to obtain advice from lawyers, and Senators have a right to advise other Senators. May I say we are acting here in a judicial capacity. We are going to sit here as a jury. We are going to vote, sooner or later, on whether a man is guilty, and if we vote guilty we will, in effect, have found this man guilty of theft. That is a very serious charge against a U.S. Senator.

For the jury to have almost one-third of its Members absent when a case is being heard is a complete injustice to the defense. It would be reversible error in any court in the land. We have a right to insist that there be full attendance and that all Senators try to be here. As I look around, I can see a solid row of five empty desks. I see a profusion of desks of absent Senators on my side of the aisle.

We have been here from 10 a.m. until 4:30 p.m. May I say that the Senate should not vote on this case without Senators at least, for the first time, hearing the defense.

I have thought about this matter. The Senator from Connecticut has his own lawyer to advise him. If the Senator prefers to make his speech now, I will respect that. After all, it is his fate we are deciding here, not mine. But if the Senator thinks we should quit and come back tomorrow in the hope that as many Senators will hear him as heard the prosecution—which has already been heard in the press for some 15 months—I will respect his wish. But I would be dismayed if we would have as many as five Senators absent.

Mr. MOSS. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. MOSS. I may suggest that I understand what the Senator from Louisiana is saying. I agree that it is very important that every Senator hear the words of the Senator from Connecticut, or read those words.

Some allusion was made to the fact that the Senate Chamber is not always full of Senators. That is true, the reason being that the CONGRESSIONAL RECORD tomorrow will carry every word that has been said. I think there must be a presumption that our brethren who have not occupied their chairs will inform themselves. So I see no reason to desist from going ahead with the procedures now before the Senate.

Mr. DODD. Mr. President, I am perfectly willing to proceed, but it does not appear that I can finish what I have prepared by 6 o'clock. But I will do my best.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. MANSFIELD. Mr. President, the Senator from Connecticut is the one who is affected most by the resolution now pending before us. The leadership is always anxious to comply with the Senator from Connecticut's requests. We would like to inquire as to just what the Senator from Connecticut would like to do.

If I may have the Senate's attention, may I say I have just found out that there are more than 70 Members here; that, because of the question raised by the Senator from Louisiana, my name is not on the list because I happened to have left the Chamber to do something which ordinary mortals have to do on occasion. I am listed as missing. So I think, in view of the fact that the question was raised, the announcement that only 70 Senators were present is inaccurate. I think the number should be more, because there are more than 70 here. There have been more than 70 here during today's proceedings. There were at least 70 on the floor when the first quorum was called.

However, if the Senator from Connecticut thinks, because of what has happened this afternoon, with the hour getting late, that he would prefer to be recognized first thing in the morning, the leadership is prepared to go along, because it recognizes the situation which exists.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MANSFIELD. I would like to get an answer first.

Mr. DODD. Mr. President, I am always glad to hear what the Senator from Pennsylvania has to say, but I would like to answer the majority leader, who has extended every courtesy to the Senator from Connecticut. Frankly, I am tired. I suppose everybody is. But I am anxious to have every Senator hear what I have to say. It is a matter of the gravest importance to me.

I am also aware that Senators have other things to do. I am well aware of that. I do not think any Senator is staying away purposely to avoid hearing what I have to say. I do not think anything of that kind. But it is late in the day. Would it greatly inconvenience the majority leader if I were allowed to go over until tomorrow?

Mr. MANSFIELD. Not at all, because I am interested in seeing that the Senator from Connecticut is given every possible consideration.

Mr. DODD. I know that.

Mr. MANSFIELD. As far as the joint leadership is concerned, the Senator from Connecticut is going to get that consideration. Knowing what the Senator desires, and after the Senator from Pennsylvania gets through, I will——

Mr. DODD. Mr. President, may I make one unanimous-consent request first? I think it might help clear the record somewhat with respect to the debate this afternoon between the distinguished Senator from Utah, the distinguished Senator from Louisiana, and other distinguished Senators.

I ask unanimous consent to insert in the RECORD three letters or memorandums which I wrote to each Member of the Senate concerning my predicament.

Mr. STENNIS. Mr. President, will the Senator repeat that request? I did not hear the unanimous-consent request.

Mr. DODD. I asked unanimous consent to insert in the RECORD at this point the three letters or memorandums which I sent to each Member of the Senate.

Mr. STENNIS. I have no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

There being no objection, the letters and memorandums were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., May 4, 1967.

Re reimbursed travel expenses.

DEAR SENATOR: The Select Committee on Standards and Conduct of the United States Senate (the "Ethics Committee"), in its report to the Senate dated April 27, 1967, has proposed that I be censured on two grounds: *viz.*, (1) that I received multiple reimbursement for certain travel expenses including reimbursement by the U.S. Senate; (2) that I spent political funds on personal expenses.

The purpose of this letter is to set forth the facts concerning the first charge to the extent they are not reflected in the report of April 27, 1967.

It is certainly reasonable to assume that negligent error by my bookkeeper would not form the basis for a recommendation of censure. Accordingly, although not stated, it appears that the first ground for the proposed censure is that I knowingly received from the Senate between 1961 and 1966 the admittedly erroneous reimbursement for travel expenses referred to in the report of April 27, 1967.

During the period in question, 1961 through 1966, I made more than 80 trips for which I was reimbursed either by the Senate or by private organizations. The Ethics Committee's proposed censure relating to reimbursed expenses is based on seven of these more than 80 trips and involves a total reimbursement to me of $1,767.14. The points that I wish you would bear in mind in considering this may be summarized as follows:

(i) Michael V. O'Hare, my former bookkeeper, who leveled this charge of double billing against me in the first instance, was in charge of all travel matters for me between May, 1961, and January, 1966;

(ii) O'Hare made numerous mistakes both in requesting reimbursement for travel expenses and in failing to do so—this is evidenced in part by five letters which are enclosed herewith and by the Stipulation of March 11, 1967, between me and the Ethics Committee;

(iii) One of O'Hare's mistakes was in failing to claim reimbursement from the Senate to which I was entitled for travel between Washington and Connecticut. His error here resulted in a loss to me of between $1,092.00 and $1,837.57; depending upon the mode of travel;

(iv) Two of the errors made by O'Hare, and corrected by him, pursuant to the letters enclosed, resulted in a transfer to my personal travel account of charges previously billed in error to Senate Subcommittees; and

(v) Two of the erroneous billings took place prior to O'Hare's employment and two took place after O'Hare had transferred his allegiance to Drew Pearson and Jack Anderson.

In light of the foregoing, all of which is set forth in more detail below, it is and has been my consistent position that these erroneous reimbursements by the Senate were the product of negligence on the part of my bookkeepers and not an intentional act on their part and, in any case, certainly not known or directed by me. To this I might add only one qualification. Recognizing that the last two erroneous double billings by O'Hare took place after his secret defection, they may indeed have resulted from a conscious effort on his part.

It is uncontested that on the seven occasions referred to in the Ethics Committee report, the Senate erroneously reimbursed me for a previously or subsequently reimbursed travel expense. However, what is not reflected in the report, although reflected in the Stipulation of March 11, 1967, paragraph 108, is the fact that on 21 occasions, between 1961 and 1966, I incurred travel expenses on official business of the U.S. Senate for which I was entitled to be reimbursed under 2 U.S.C. Sec. 43(b) and for which reimbursement was neither received nor claimed. The total dollar amount involved in the seven erroneously reimbursed trips is $1,767.14, and the total reimbursement involved in the twenty-one trips to which I was entitled and for which no claim was ever made was between $1,092.00 or $1,837.50, depending on the mode of travel (see Stipulation of March 11, 1967, paragraph 109). Hence, the maximum erroneous reimbursement is $675.14.

O'Hare was charged with the responsibility for claiming reimbursement for me regarding travel on official Senate business. In his testimony before the Ethics Committee O'Hare contended that on five separate occasions from 1961 to 1965 he was specifically instructed by me to claim improper reimbursement from the Senate for travel which was reimbursed to me by an outside organization. The amount of the erroneous reimbursement by the Senate on each of these five occasions ranged from $163.63 to $397.27. Against the background contention by O'Hare, an apt contrast is provided by O'Hare's explanation of his failure to claim reimbursement for the twenty-one trips for which it has been stipulated that I was entitled to reimbursement even after O'Hare, by his own admission, learned in 1965 of the right to reimbursement. O'Hare stated:

"In order to gain reimbursement I would have had to do a complete audit for that year or maybe year and a half . . . and for the sake of just two or three trips this was just too arduous a task for me to do at this time." (T. 1255–56)

O'Hare's claim of conscious erroneous billing must also be contrasted with the fact that two of the seven erroneous billings, one in the amount of $24.53 and the other $127.82, took place prior to O'Hare's employment.

Perhaps the most important fact to be taken into account in this connection is that in 1962 and again in 1963, O'Hare caused travel originally charged to a Senate Subcommittee to be transferred to my personal travel account. This is reflected in the letters attached hereto as Exhibits 1 and 2 (these letters were not accepted as a part of the record in the Ethics Committee investigation). It is impossible to square these letters with O'Hare's testimony that I had instructed him to consciously double bill on five separate occasions spanning the years 1961 to 1965.

When these letters are considered with the fact that two of the seven erroneous billings took place prior to O'Hare's employment and the concession of O'Hare that two took place after he had switched allegiance from me to Pearson and Anderson, the only rational conclusion here is that these multiple reimbursements were a product of human error with the possible exception of the last two. These last two, it is noted, took place after O'Hare switched allegiance and it is entirely possible that they were the subject of an intentional act on the part of O'Hare rather than negligence on his part.

Other errors by O'Hare in billing travel expenses are evidenced by Exhibits 3 to 5 attached hereto. They are letters written by him in which travel expenses were switched from one account to another.

The account numbers referred to in the various letters attached hereto are identified as follows:

Account number AAQ–1331–WAA, chargeable to personal.

Account number AAQ–7866–NAA, chargeable to Internal Security Subcommittee of the Judiciary Committee of the United States Senate.

Account number AAQ–26589–WAA, chargeable to Juvenile Delinquency Subcommittee of the Judiciary Committee of the United States Senate.

The foregoing five letters, copies of which are attached hereto, were offered to the Ethics Committee both before and after the most recent hearings and were rejected on both occasions.

In considering this charge of knowingly receiving multiple reimbursement from the Senate, consideration should also be given to the statements by the bookkeepers who preceded and followed O'Hare (these statements were submitted to the Committee but were never included in the record. They are attached hereto as Exhibits 6 and 7).

The first employee to keep the financial records was Barbara Beall who began her employment with me in January, 1959, and continued it until she terminated her employment in January, 1961. During this period she was my personal secretary as well as the bookkeeper. Covering her bookkeeping duties for me, Miss Beall states:

"During the time I was your personal

secretary and bookkeeper it was part of my duty as bookkeeper to bill for trips made by you. Accordingly, I had occasion to bill subcommittees and private organizations. I am sure that I never billed two organizations, such as a subcommittee and a private organization, for the same trip nor did I bill any organization more than one time for the same trip, and you certainly never asked me or anyone else to do so." (Exhibit 6, Letter from Barbara Beall dated August 1, 1966, emphasis in the original).

Miss Beall terminated her employment with me in January 1961, and I had no official bookkeeper until May, 1961, when O'Hare was employed in that capacity. From January 1961 to May 1961, the checkbooks were maintained by several people. It was during this period that the first two errors in billing were made.

The books are presently maintained by Doreen Moloney. Miss Moloney states:

"Since January of 1966 I have maintained Senator Dodd's books, which were previously maintained by Michael V. O'Hare. In this capacity, I have handled the Senator's travel arrangements which included the purchasing of tickets and the receipt of reimbursement for travel expenses incurred by Senator Dodd. I have never billed more than one organization for any particular trip nor was I ever instructed to do so." (See Exhibit 7, Affidavit of Doren Moloney dated January 21, 1967).

To recapitulate, against the unsupported accusation by O'Hare there stands: (i) two letters (Exhibits 1 and 2) evidencing two separate occasions, one in 1962 and another in 1963, when O'Hare transferred a charge for travel expenses from a Senate Subcommittee to my personal account; (ii) three other occasions (Exhibits 3, 4 and 5) on which O'Hare was compelled to credit other erroneous billings he had made; (iii) the statements by the bookkeepers who preceded and followed O'Hare pointing out that they were never asked by me to make erroneous billings and, in fact, never made erroneous billings; and (iv) my testimony in which I denied O'Hare's accusation under oath and described O'Hare as a "liar."

But even if the documentary and third party evidence in support of me were lacking, the conclusion would be unchanged. In that event the issue would turn solely on O'Hare's credibility, or lack thereof. And there is compelling evidence that O'Hare testimony is not credible, even if you ignore the inherent incredibility of O'Hare's assertion that on five separate occasions over a period of four years he had been specifically instructed to make an erroneous billing to the Senate of a trifling amount.

O'Hare admitted active participation in the unauthorized removal of my documents while he continued to pose as a loyal employee. His life was a lie by his own admission from July 1965 until January 1966, when he finally terminated his employment with me. On cross examination O'Hare testified that my purported signature on the money orders he had used to make certain payments had been forged by him. He also conceded that certain of my checks, made out to cash and put in evidence at the hearings, bore his endorsement on the back. He contended, however, that the signature on those checks were my genuine signature and that I had signed them in O'Hare's presence. This latter contention was refuted by the testimony of Mr. Charles Apel, one of the country's leading handwriting experts who served 25 years with the F.B.I. Mr. Apel established the F.B.I.'s laboratory for document analysis and was in charge of it for many years.

In short, O'Hare had previously conceded in his testimony an ability to deceive and his indifference to the commission of a crime. Furthermore, his ability to forge my signature, coupled with the testimony of handwriting expert Apel, raises serious questions as to whether or not O'Hare participated in illegal acts other than those which he admitted.

O'Hare's testimony in this case is simply not credible on any analysis.

There are absolutely no facts whatsoever on which to base a recommendation of censure for double billing.

Sincerely,

THOMAS J. DODD.

EXHIBIT 1

MAY 15, 1962.

Re: AAQ–7866–NAA.
AMERICAN AIRLINES, INC.,
Credit and Collections,
New York, N.Y.

GENTLEMEN: On March 23, and March 26, 1962 I charged ticket Nos. 166033 & 104303 respectively to the above account.

The charge for these flights should properly be applied against my personal account. I would appreciate it if you would transfer the $50.60 charge for these trips to AAQ–13331–WAA on your next billing.

With best wishes,
Sincerely yours,

THOMAS J. DODD.

EXHIBIT 2

MARCH 4, 1963.

Re: AAQ–7866–NAA.
AMERICAN AIRLINES, INC.,
Credit and Collections,
New York, N.Y.

GENTLEMEN: On March 1, 1963 I charged a round trip ticket from Washington to Los Angeles to the above account.

I would appreciate it if you would transfer this charge to AAQ–13331–WAA.

With best wishes,
Sincerely yours,

THOMAS J. DODD.

EXHIBIT 3

NOVEMBER 10, 1961.

Mr. WILSON HOWARD,
American Airlines, Inc.,
New York, N.Y.

DEAR MR. HOWARD: On October 23, 1961 I traveled from Providence to Washington and inadvertently charged the ticket to the wrong account.

The ticket was charged on Account No. AAQ–13331–WAA and should properly have been charged on Account No. AAQ–7866–NAA. I would appreciate it if you would correct your records, and bill accordingly.

Please accept my apology for any inconvenience this may cause you.

With best wishes,
Sincerely yours,

THOMAS J. DODD.

EXHIBIT 4

MARCH 12, 1962.

Re AAQ–26589–WAA.
AMERICAN AIRLINES, INC.,
Credit and Collections,
New York, N.Y.

GENTLEMEN: On October 10, 1961 I inadvertently charged Ticket No. 7183338 for $25.85 to the above listed account. It should properly have been charged to AAQ–7866–NAA. I would therefore appreciate it if you would transfer the charge on your next billing.

Thank you for your assistance in this matter.

With best wishes,
Sincerely yours,

THOMAS J. DODD.

EXHIBIT 5

APRIL 4, 1964.

Mr. DON CAMPBELL,
American Airlines, Inc.,
Washington, D.C.

DEAR MR. CAMPBELL: On Thursday, February 27th I charged a round trip ticket from Washington to Los Angeles to account No. AAQ–7866–NAA.

I would appreciate it if you would transfer this charge to account No. AA–26589–NAA.

With best wishes,
Sincerely yours,

THOMAS J. DODD.

EXHIBIT 6

AUGUST 1, 1966.

Hon. THOMAS J. DODD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: I am sending this letter to you at your request.

My name is Barbara Beall. I live at 225 Kaiulani Avenue, Honolulu, Hawaii. I was employed by you from January 1959 to January 1961. As the first secretary to be hired for your staff as Senator-Elect, I began working as receptionist and general secretary in your office and then from the summer of 1959 to January 1961 I was your personal secretary and bookkeeper.

During the time I was your personal secretary and bookkeeper it was part of my duty as bookkeeper to bill for trips made by you. Accordingly, I had occasion to bill subcommittees and private organizations. I am sure that I never billed two organizations, such as a subcommittee and a private organization, for the same trip nor did I bill any organization more than one time for the same trip, and you certainly never asked me or anyone else to do so.

Indeed, you were such a stickler for honesty that you had the whole staff on pins and needles sometimes when you would discover such a thing as a letter which you considered personal being mailed without a stamp by a staff member who was about to let it go out under the frank. You would be annoyed for the rest of the day over something like that.

Frankly, I considered it a refreshing experience to work for you as you time and again exhibited a real code of ethics by which you lived.

Most sincerely,

BARBARA BEALL.

EXHIBIT 7

AFFIDAVIT

I, Doreen Maloney, state that I am presently employed by Senator Thomas J. Dodd and have been employed by him since March, 1962.

Since January of 1966 I have maintained Senator Dodd's books, which were previously maintained by Michael V. O'Hare. In this capacity, I have handled the Senator's travel arrangements which included the purchasing of tickets and the receipt of reimbursement for travel expenses incurred by Senator Dodd. I have never billed more than one organization for any particular trip nor was I ever instructed to do so. On the contrary, I am sure that if either the Government or private organizations were erroneously billed for travel expenses, Senator Dodd would insist that I correct it. However, no such erroneous billings occurred since I have maintained the books.

DOREEN MALONEY.

WASHINGTON, D.C.

Now appeared before me this 21st day of January, 1967, the aforesaid Doreen Maloney, personally known to me who being duly sworn, declared that the aforesaid statement consisting of one page is true.

JAMES F. GARTLAND,
Notary Public.

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
May 18, 1967.

Hon. ———,
U.S. Senate
Washington, D.C.

DEAR SENATOR: The attached memorandum deals with the second ground of my proposed censure, namely, that I spent some $116,000 of "political" funds for "personal" purposes.

I earnestly hope that you will find the time to read it and to give it your careful attention.

Sincerely yours,

THOMAS J. DODD.

Enclosure.

MEMORANDUM

MAY 17, 1967.

From Senator Dodd.

Re Ethics Committee Resolution on Testimonial Funds.

This memorandum is addressed to the second ground for my proposed censure, namely, that I spent some $116,000 of "political" funds on "personal" matters. This matter, I believe, is of interest to every man in public life today.

If testimonial dinners are immoral now, they were not so in 1961, 1963 or 1965, when I was thus honored, and indeed they have been a traditional part of the political life of our nation for at least a hundred years.

Nowhere does the report of the Committee, as I read it, condemn as illegal or unethical the use of testimonial affairs as a method of raising funds intended as gifts for men in public life.

The nature of a gift is that it is to be spent at the discretion of the recipient. Legally, there are no limits on this discretion. But to make my personal position clear at the outset, let me repeat that I said in my Senate speech of March 10th: I would *not* consider it proper if a Senator used testimonial funds to enrich himself or to live lavishly. But I do consider it proper for a Senator to use such funds *at his discretion* to help liquidate campaign deficits, to pay off sundry political debts, to offset his costs of office, and to offset or reimburse himself for any money he may have put out-of-pocket to meet such politically connected expenses. This is what I did.

Several witnesses before the Committee testified to the widespread practice of this form of fund-raising in Connecticut political life. A recently adopted resolution of the Young Democrats in Connecticut refers to the testimonial dinner as a nationwide institution.

". . . many of Senator Dodd's friends, realizing his personal sacrifice and believing in him and in his position, organized various testimonials and turned their proceeds over to him as personal gifts for his unrestricted personal use, a device commonly used throughout the country to show tribute and credit to distinguished individuals . . ."

A copy of the complete text of that resolution is enclosed herewith.

No doubt all the Senators can think of examples of men in public life so honored—the example which comes most quickly to my own mind is described on page 85 of William Manchester's book on the assassination of President Kennedy. Manchester points out that on the day preceding the assissination, President Kennedy and then Vice President Johnson both spoke at a testimonial dinner held in honor of Representative Albert Thomas of Texas and that from the proceeds of the dinner Mr. Thomas was presented with a Cadillac automobile.

But if testimonial dinners for the personal benefit of an individual are commonplace in America, this cannot be what derogates, as my accusers say "from the public trust expected of a Senator." The theory of the proposed censure must be that I misled my friends into thinking they were not contributing to a testimonial dinner at all, but to a campaign fund.

The Committee report is critical of the solicitation material of the various testimonials which were held in my honor. It complains that nowhere is the invitee informed as to the purpose the proceeds will be put.

Political testimonials are commonplace affairs, and it is not customary to identify the purpose of these affairs in the precise manner that the Committee's report suggests.

Now I have seen a lot of invitations to testimonial dinners in my time, and I can't remember a single one which said anything more than that there was going to be a testimonial to honor Mr. Jones or Mr. Smith. That's all they said. There was no rule and no law requiring that they say more. I cannot recall a single one which carried an explanatory note stating that the contributions would be turned over to the subject of the testimonial as a personal gift to be used as he saw fit.

In my home state of Connecticut testimonials are exceedingly commonplace affairs, and it is universally known by those who are in the habit of attending political functions that the proceeds of testimonials are intended as personal gifts.

The sum I am alleged to have used improperly is $116,000. The total raised at the testimonial affairs held in my honor on four separate occasions in 1961, 1963, and 1965 (which of course were not campaign years) amounted to about $170,000. My position is that substantially more than $116,000 was intended as a gift to be used at my discretion. My position is, further, that the funds I received are more than offset by what I paid out to discharge politically connected debts and to cover unreimbursed costs directly connected with holding public office.

The Committee ruled that all of my testimonials were political fund raising functions. But reviewing the record, the following will be found:

DINNER, 1961

The Committee's report states that "the sponsors of the 1961 Connecticut dinner represented the event in a solicitation letter as a testimonial dinner for Senator Dodd without stating any further purpose." The net proceeds turned over to me were $56,000. Since the real issue is the intent of the donors, presumably the Committee has concluded that the failure of the solicitation letter to state expressly that the funds to be raised at the testimonial dinner were for my personal use demonstrates that the funds must have been raised for a campaign. That conclusion does not follow. Since the testimonial dinner was described as a non-partisan tribute and a large number of Republicans attended, it is impossible to understand how anyone could have construed it as a partisan political fund-raising affair.

The solicitation letter referred to reads in full as follows:

"On November 4th, 1958, the people of Connecticut elected Tom Dodd to the Senate of the United States.

"The wisdom of their choice is apparent as evidenced by his outstanding record.

"His stature in the Senate is acclaimed by his colleagues on both sides of the aisle.

"Senator Dodd's friends have appropriately decided to honor him in the middle of his term. Their recognition will be in the form of a testimonial dinner to be held on Monday, November 20th, 1961, at the Statler Hotel in Hartford.

"The testimonial will be a non-partisan tribute. The Vice President of the United States, Lyndon Johnson, and Senator Styles Bridges, the senior Republican in the Senate, have already signified their intentions of being with us, and we would like very much to have you come.

"A table may be reserved in the name of the person sponsoring a group of ten or more. Please list the names of your guests for the program and seating arrangements.

"Your participation will be appreciated."

I submit to the judgment of my fellow Senators whether anyone who received such a letter could have thought that funds were being requested for a partisan political campaign or not.

1963 RECEPTION, DISTRICT OF COLUMBIA

The testimonial reception in Washington on September 15, 1963, was described as a testimonial on the tickets. In the brief letter of invitation sent out by the D.C. Committee for Dodd, the fact that it was a testimonial did not appear. On the other hand, there was absolutely nothing in the letter which suggested that it was a campaign fund-raising affair. It is true that I borrowed $6,000 from the Washington testimonial fund on the basis of erroneous advice of my accountant and later repaid it. But a single confused act does not determine the essential character of a public function.

The net proceeds of the 1963 D.C. Reception was about $12,000.

CONNECTICUT EVENTS, 1963

In the case of the Dodd Day affairs on October 26, 1963, the breakfast was clearly described as a testimonial breakfast on the order forms, on the return envelopes, and on the program. The reception that afternoon was described as such and not as a campaign fund-raising affair. About $10,000 was raised at this dinner and about $30,000 at the other events held that day. Solicitation letters for the dinner that evening did, however, contain inaccurate language, as I admitted to the Committee. I did not prepare those letters and I never saw them, as the record reflects.

DINNER, 1965

With respect to the March 1965 testimonial dinner, from which I received about $68,000, the uncontested fact is that the Committee received affidavits from 330 persons who donated money in connection with that dinner in which they swore under oath that they intended the donations as unrestricted gifts. The Committee report relies on unreliable newspaper statements in estimating that approximately 1000 persons attended that dinner. That estimate is incorrect. I need not tell you that newspaper reports of attendance at political affairs, although gratifying to the individual concerned, are not noted for their accuracy. The names listed on the program for the 1965 testimonial dinner total 706 and this, if anything, is an exaggeration of the number of contributors involved. This is so because the names on the program include guests of contributors as well as the contributors themselves. Thus, approximately 50% of those who in fact contributed to the 1965 testimonial dinner have stated under oath that they intended no limitation on the use to which their gifts could be put.

OFFER OF REFUND

The evidence is overwhelming that those who came to these testimonial affairs did understand their purpose and the nature of their own contribution. It is significant to note that there has not been a single statement, under oath or otherwise, by any contributor to any of the testimonial affairs asserting that he had intended his money not as a gift but as a political contribution.

I have publicly stated that if any person states that he contributed to these functions with the understanding that he was making a political contribution and not a testimonial contribution, I would return his money to him.

This statement was carried prominently over every radio station in Connecticut and in every Connecticut paper.

To date, not a single person who attended these functions has requested that their contribution be refunded.

What better evidence could there be to prove that those who attended these affairs understood they were making a gift to me?

AFFIDAVITS

During a single month I received affidavits from about 430 individuals who contributed to one or more of the testimonial affairs, which represented over 50% of those we were able to contact.

This large number of affidavits has come in despite the fact that many persons were only contacted by telephone or mail, with little or no follow-through, despite all the adverse publicity resulting from the Pearson-Anderson vendetta, despite the understandable fear of some people of involvement in a controversial matter, and despite the attempted intimidation by Jack Anderson in a characteristically distorted speech over the Connecticut radio in which he threatened anyone who signed an affidavit with a charge of perjury.

ADVICE OF COUNSEL

Prior to the first testimonial affair held in my honor, the dinner held on November 20, 1961, I sought the advice of my then law partner, M. Joseph Blumenfeld (now a Federal District Judge), and he advised me that the proceeds of the 1961 dinner constituted a tax-free gift which I was free to use for such purposes as I saw fit. I am enclosing herewith a copy of Judge Blumenfeld's affidavit confirming this fact. I relied generally on the advice which Judge Blumenfeld gave me with respect to testimonial events.

THE FINANCIAL BURDEN OF POLITICAL OFFICE

The net proceeds of all of the testimonial affairs was approximately $170,000.

It is undisputed that between 1956 and 1959 I borrowed a total of $211,000 and that the net balance owing at the end of 1959 was $150,000. It is my position that $120,000 of this indebtedness was politically connected.

I had no significant debts prior to 1956. Between 1956 and 1958 I ran twice for the Senate and once for the nomination; in fact I was running non-stop for over two years. This and this alone was why my personal indebtedness built up so rapidly during this period.

The politically connected debts totaling $120,000 have been paid off by me since 1959, largely out of testimonial proceeds. In addition, between 1959 and 1966 I spent from my personal funds $101,000 on the unreimbursed costs of office. These costs consisted of the following:

Expenditures incidental to the office of U.S. Senator:	
Travel and entertainment (including estimated expenses of $9,171.62)	$51,090.67
Less reimbursements	14,340.91
Subtotal	36,749.76
Dues and subscriptions	3,979.33
Photographs, news clipping service, radio and television	10,160.61
Telephone and telegraph	9,327.69
Less reimbursements	1,140.00
Subtotal	8,187.69
Office supplies and other expenses	11,825.14
Less reimbursements	5,712.13
Subtotal	6,113.01
Total	65,190.40
Expenditures in maintaining a second residence in Washington, D.C.:	
Utilities	5,021.78
Telephone	2,285.04
Repairs and maintenance	8,364.65
Real estate taxes	5,390.81
Interest expense	10,297.09
Insurance	1,389.08
Rent (1959)	2,147.60
Moving expenses (1959)	1,266.76
Total	36,162.81
Grand total	101,353.21

Against the intake of approximately $170,000 therefore, I spent $120,000 for repayment of the political loans and $101,000 for costs of office. This means, in effect, that I have had to dig into my own income to the extent of some $50,000 over and above what I have received from testimonials to cover political expenses. Obviously, I have not enriched myself from my position as a Senator.

It is therefore readily understandable why, as I previously reported to the Senate, at the age of 60 I own no stocks or bonds, I have no interest in any company or firm, I own no real estate other than my home in Connecticut and my home in Washington, both of which are heavily mortgaged and that my total net worth is not more than $54,000.

EX POST FACTO

In summary, it is apparent that testimonial affairs for the personal benefit of the person being honored did not in 1961 or 1963 or 1965 violate the then prevailing legal and ethical standards applicable to men in public office. I respectfully submit that my conduct in those years should not be condemned by standards subsequently adopted. The framers of the Constitution recognized the evil of *ex post facto* laws and those same principles are equally applicable to the matter here in issue.

As the Supreme Court recognized most recently in *Bouie* v. *City of Columbia*, 378 U.S. 347 (1964), no person should be required to speculate or to guess whether a course of action violates a standard of conduct which remains to be adopted and to apply a newly adopted standard to past conduct ". . . is at war with a fundamental concept of the common law . . ."

Admittedly the Committee's judgment in this case was significantly influenced by standards which the Committee anticipates may be recommended and eventually accepted by the Senate. I urge that we move to the adoption of such standards as soon as the present debate is concluded—but it would be grossly unfair to apply them retroactively.

The adoption of such clearly defined standards would, hopefully, insure that no other Senator would in future be subjected to the harrowing personal ordeal which I have experienced over the past sixteen months. And even more importantly, the early adoption of such standards would not only be in the best interests of the Senate but manifestly would serve the national interest.

RESOLUTION OF YOUNG DEMOCRATIC CLUBS, INC., MAY 6, 1967

Whereas Senator Thomas Dodd, has honorably represented the interests of the people of Connecticut in the United States Senate for the past nine years;

And whereas Senator Dodd has achieved a memorable record in the Senate, in particular for his sponsorship of the May 21, 1963 resolution which made the Test Ban Treaty possible, and his many correct positions on matters of foreign affairs;

And whereas Senator Dodd, because of his lack of financial resources, has achieved this remarkable record at a great personal sacrifice;

And whereas many of Senator Dodd's friends, realizing his personal sacrifice and believing in him and in his positions, organized various testimonials and turned their proceeds over to him as personal gifts for his unrestricted personal use, a device commonly used throughout the country to show tribute and gratitude to distinguished individuals;

And whereas the motives and sincerity of Senator Dodd have been questioned by disloyal former staff members;

Be it therefore resolved that the Young Democratic Clubs of Connecticut Inc. do hereby reaffirm their faith and confidence in Senator Thomas J. Dodd and do hereby extend their best wishes to him and to his family at a time of great trial;

And be it further resolved, that the Young Democratic Clubs of Connecticut Inc. do hereby censure Mr. Michael O'Hare; Mr. James P. Boyd; Mrs. Marjorie Carpenter; and Miss Terry Golden for illegally removing and copying the records of Senator Dodd; for efforts made to destroy his reputation and to malign his character; and for their ignominious betrayal of his trust and friendship;

Attest:

HAROLD J. ALLEN, Jr.,
President, Young Democratic Clubs of Connecticut, Inc., and National Committeeman, Young Democratic Clubs of Connecticut, Inc.

AFFIDAVIT

STATE OF CONNECTICUT,
County of Hartford, ss:

M. Joseph Blumenfeld, being duly sworn, makes the following statement:

"1. In 1960 or 1961, while I was still engaged in the private practice of law and prior to my appointment as United States District Judge, I advised Senator Thomas J. Dodd in connection with the then proposed testimonial dinner which was subsequently held in his honor on November 21, 1961. At that time I was familiar with the proposed manner of carrying out the testimonial dinner, and I understand that the dinner was actually carried out in that manner.

"At that time I advised Senator Dodd that the net proceeds of the dinner should be treated by him as a gift excludable from gross income for Federal income tax purposes under the provisions of section 102(a) of the Internal Revenue Code of 1954, and that he was free to use these net proceeds in any way he wished and not solely for political purposes.

"M. JOSEPH BLUMENFELD."

Subscribed to in my presence and sworn to before me this 20th day of February, 1967.

BENJAMIN SANDERS,
Notary Public.

U.S. SENATE,
Washington, D.C. June 9, 1967.

DEAR SENATOR: This is the last of the three letters to my fellow Senators in connection with the forthcoming debate on the report of the Select Committee on Standards and Conduct.

In the prior two letters I believe I have demonstrated that:

(a) The charge of double billing is entirely groundless. My former bookkeeper made a few minor mistakes in billing for travel expenses while in my employ. And then, after switching his allegiance to gossip columnists, he charged that these mistakes, attributable solely to his incompetence, were intentional acts ordered by me. Moreover, his failure to claim for me reimbursements from the Senate basically offsets the errors in my favor made by him.

(b) The charge that I authorized the expenditure of at least $116,083 of political funds for personal expenses is both untrue and substantively irrelevant. It is untrue in that more than $116,083 of these funds were gifts to me to be used at my discretion. And it is substantively irrelevant since it fails to take into account the fact that my political activities have resulted in a personal deficit of about $50,000, after taking into account all contributions received by me during my entire service as a Senator.

As my colleagues know, I have responded directly to the charges brought against me. It is my intention to continue to do so in the course of the forthcoming debate. However, there are larger issues involved in my case which go to the rights of every member of the Senate.

Because I know that Senators will want to consider this case in its full context and in

all its implications, I have had my counsel prepare a memorandum analyzing the serious constitutional questions involved in the hearings and Report of the Ethics Committee. A copy of that memorandum is enclosed.

I hope you will find the time necessary to study the enclosed memorandum carefully. I think it is extremely important to the future of the Senate.

Sincerely,

THOMAS J. DODD.

(Enclosure.)

MEMORANDUM CONCERNING THE CONSTITUTIONAL ISSUES RAISED BY THE INVESTIGATION OF SENATOR THOMAS J. DODD BY THE SELECT COMMITTEE ON STANDARDS AND CONDUCT, U.S. SENATE

THE PROPOSED CENSURE OF SENATOR DODD IS IN CONTRAVENTION OF HIS CONSTITUTIONAL RIGHTS

The purpose of this memorandum is to consider whether the imposition of the sanction of censure on Senator Dodd pursuant to the recommendations of the Select Committee on Standards and Conduct of the United States Senate would be consistent with the requirements of due process of law applicable to proceedings of this sort.

That such an inquiry is appropriate is implicit in the Committee's own observation, in its Report, that "The power to punish necessarily involves the ascertainment of facts and application of appropriate rules of law" (p. 9) and that "The action of a House of Congress in judging the conduct of one of its Members is 'judicial in nature', . . . and must be carried out in proceeding consistent with the due process of law requirements of the Fifth Amendment of the Constitution" (p. 11). Indeed, pursuant to these observations, the Committee purported to be guided in its deliberations "by the rules of evidence applicable to the Federal courts." (*Ibid*)

The Committee's observations were in accord with the applicable law. The Senate, when it acts with respect to its own members exercises a broad, perhaps unreviewable power. But the Supreme Court has made it clear that, when it acts, it does so subject "to the restraints imposed by or found in the implications of the Constitution." *Barry* v. *United States ex rel. Cunningham*, 279 U.S. 597, 614 (1929). Again in *Watkins* v. *United States*, 354 U.S. 178, 198 (1956) the Court held that "the Bill of Rights is applicable to [Congressional] investigations as to all forms of government action."

It is, of course, clear that the proceedings of the Select Committee, and the action which it recommends that the Senate take, are penal and punitive in nature. The purpose of the investigation was to investigate Senator Dodd's conduct to determine whether penal sanction should be imposed. The penalty of censure is a penalty of such a sort that the requirements of due process are applicable. The Supreme Court has held that the State may not take action which has the effect of stigmatizing an individual with a "badge of infamy" without complying with due process requirements. *Wieman* v. *Updegraff*, 344 U.S. 183, 191 (1952). See also *Willner* v. *Committee on Character and Fitness*, 373 U.S. 102 (1963); *United States* v. *Lovett*, 328 U.S. 303 (1946); *Slochower* v. *Board of Higher Education*, 350 U.S. 551 (1956); *Birnbaum* v. *Trussel*, 371 F. 2d 672, 678, 679, notes 13, 14 (2d Cir. 1966); *Beard* v. *Stahr*, 370 U.S. 41, 42 (1961) (dissenting opinion).

It is evident that the punishment which the Select Committee recommends for Senator Dodd is comparable in its impact to other sanctions which the courts have held may not be imposed without due regard for the requirements of due process of law. Indeed, the arbitrary infliction of such penalties on an elected representative of the people poses particular threats to the democratic process.

While it is vital that such representatives be responsive to their constituencies and that their conduct be subject to public scrutiny, it is equally vital that they be not exposed to the exercise, or threatened exercise, of unrestrained power by those who hold a different view. If sanctions may be imposed without legal restraint or arbitrarily, they can easily become the instrument of oppression, and the least popular view is likely to be the first suppressed.

While no charge is made that the Select Committee, or any member of the Senate, is motivated improperly in connection with the proposed censure of Senator Dodd, it is submitted that to sanction procedures of the sort which led to the rendering of the Committee's Report is to establish a precedent which may, at other and different times, produce the most serious consequences.

We submit that an analysis of the procedures employed by the Committee, the evidence upon which it relied, and the judgment which it reached, will demonstrate that the action which it proposes that the Senate take is inconsistent with the requirements of due process and the commands of the Constitution.

I. The committee condemned Senator Dodd on the basis of undefined ex post facto standards

It is, of course, one of the basic principles of due process, and indeed, an essential element of the "rule of law" which forms the basis of our jurisprudential system, that a man must be judged by clearly-defined standards formulated prior to the time when he engages in the conduct which is being judged.

The standards must not only be formulated in advance; in addition, they must be sufficiently precise to provide a reasonable guide for the regulation of an individual's behavior. The Supreme Court has observed that "A statute which either forbids or requires the doing of an act in terms so vague that men of common intelligence must necessarily guess as to its meaning and differ as to its application, fails the first essential of due process of law." *Connally* v. *General Construction Company*, 269 U.S. 385, 391 (1926); *United States* v. *Cardiff*, 344 U.S. 174, 176 (1952).

It is equally clear that the requirements of due process apply, not only to criminal prosecutions, but to any governmental actions or proceedings which injure an individual or deprive him of a valuable right or privilege. *Wilner* v. *Committee on Character and Fitness*, 373 U.S. 96 (1963) [application for admission to bar]; *Greene* v. *McElroy*, 360 U.S. 474 (1959) [revocation of security clearance]; *Goldsmith* v. *United States Board of Tax Appeals*, 270 U.S. 117 (1926) [application of accountant to practice before Board of Tax Appeals]; *Gonzales* v. *United States*, 348 U.S. 407 (1955) [denial of status as conscientious objector]; *Kelly* v. *Herak*, 252 F. Supp. 289 (D. Mont. 1966) [dismissal of Government employee]; *Doe* v. *CAB*, 356 F. 2d 699, 701 (10th Cir. 1966) [refusal of pilot's medical certificate]; *Duomar* v. *Ailes*, 230 F. Supp. 87 (D.C.D.C. 1964), aff'd, 346 F. 2d 834 (D.C. Cir. 1965) [expulsion of cadet from U.S. Military Academy].

Prior to the Committee investigation there was, of course, no information given Senator Dodd as to the principles which would be applied in judging him, for, indeed, no such principles had been formulated. Even in the Report which was the culmination of the Committee's work, there is no explicit statement of the rules which are applicable, and which the Committee found Senator Dodd to have transgressed. There is, rather, merely a description of the conduct which the Committee found Senator Dodd to have engaged in, and a conclusion that that course of conduct "is contrary to accepted morals, derogates from the public trust expected of a Senator, and tends to bring the Senate into dishonor and disrepute" (Report, p. 27). This Delphic standard, if it had been formulated prior to the hearings, would have been analogous to the State statute considered by the United States Supreme Court in *Musser* v. *Utah*, 333 U.S. 95 (1948) making unlawful conduct injurious to "public morals." The Supreme Court indicated, with respect to that statute, that, unless the State Supreme Court severely restricted its scope, it would be void because "on its face it fails to give adequate guidance to those who would be law abiding, to advise defendants of the nature of the offense with which they are charged, or to guide courts in trying those who are accused" (333 U.S. at 97).

In point of fact, as one of the Select Committee's members has explicitly recognized, the standards applied by the Committee in assessing Senator Dodd's conduct are standards which cannot be clearly stated since they are still in the process of formulation. Commenting on the Committee's judgment, Senator Eugene McCarthy, a member of the Committee, has said:

"The Committee did attempt to pass a fair judgment on the basis of what it considered to be generally accepted standards and *also on the basis of the rules and standards which it anticipated may be recommended and eventually accepted in the Senate.*" (Appendix A) (Emphasis Supplied)

What Senator McCarthy suggests, an analysis of the Select Committee's Report and of the findings and evidence upon which it is based confirms. As will be demonstrated, the Committee's recommended censure of Senator Dodd because of his alleged mishandling of testimonial and campaign funds was based on the *ex post facto* application of at least four propositions not heretofore generally recognized as constituting applicable legal or moral principles.[1]

If the Select Committee had concluded from its analysis of Senator Dodd's affairs that these norms should govern him (and others), in the future, it would have functioned as congressional committees usually function. And its judgment, like most legislative judgments, would be susceptible to appraisals and criticism on only one level: Was it wise or unwise?

But this Committee was not simply acting in an investigatory capacity. It was, as it recognized, performing a function which was "judicial in nature" (Report, p. 11). It set out, not to guide the future of all Senators, but to judge the past conduct of one Senator.

By recommending Senator Dodd's censure for the violation of rules which the Committee itself formulated for the first time when assessing his conduct, and is still formulating, the Committee subjected Senator Dodd to an *ex post facto* judgment.

To the Founding Fathers such a judgment, in the exercise of the punitive powers of the state, or any of its instrumentalities, was the vice beyond all others—one so inimical to a free society that the Convention of 1787 bracketed *ex post facto* laws with the dreaded bills of attainder and wrote prohibitions of them, not into the Bill of Rights, but into the original Constitution itself and made those prohibitions expressly binding, not only on the federal Government, but on the States, as well. U.S. Const. Art. I § 9 cl. 3 and § 10 cl. 1.

A. Prior Legislative Efforts

The impropriety of the Committee's action is even clearer when we consider that the practices for which it has condemned

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[1] We do not argue that the proposed censure of Senator Dodd for double-billing of travel expenses is equally susceptible to attack as an *ex post facto* determination. We do contend, however, that, by any standard, the evidence cited as showing that Senator Dodd intentionally sought and obtained such double reimbursement was inadequate. Annexed as Appendix B is a letter by Senator Dodd previously circulated to the Senate under date of May 4, 1967 considering that matter in detail.

Senator Dodd are practices of a sort that have been studied over the years by Congress with a view toward legislative action, but with respect to which Congress has, despite many efforts, even yet been unable to formulate rules which it has been willing to adopt.

Since at least 1953, Congress has considered hundreds of bills all designed to require the reporting by members of the Senate and the House of Representatives of financial information relating to their sources of, and application of, their income. One of the bills introduced in 1953 was H.R. 2129, introduced by Representative O'Hara of Illinois, which would have required the reporting by the members of the Senate and House of their income, divided into various categories, and their gross expenditures. Even though bills in substantially the same form have been introduced in every session of Congress since that time, no such legislation has been adopted.

Also in 1953, a bill was introduced by Representative Radwan, H.R. 5332, which would have required every member of Congress with respect to whom there had been established a fund to assist him in defraying his expenses to file "a statement disclosing detailed information with respect to persons contributing to such fund, the amount of each expenditure from each fund, and the purpose of each such expenditure."

In April of last year there was introduced into the House of Representatives as H.R. 14793 a bill which would have made it a criminal offense for any member of Congress to receive directly or indirectly "any contribution as a result of a fund-raising event organized in his behalf" and to use "all or any part of such contribution for personal living or family purposes . . ." Neither of these bills became law.

In a bill introduced during this session of Congress, H.R. 2585 introduced by Representative Tenzer, of New York, it was recited, in connection with the proposed establishment of a joint congressional committee on ethics, that:

"Some conflicts of interest are clearly wrong and should be proscribed by sanctions in the criminal law; however, *many are composed of such diverse circumstances, events, and intangible and indirect concerns that only the individual conscience can serve as a practical guide. But there are many possibilities of conflict in that shadowland of conduct for which guidance would be useful and healthy,* but for which the criminal law is neither suited or suitable." (Emphasis Supplied)

The problems in this area are, as H.R. 2585 points out, in a "shadowland of conduct for which guidance would be useful and healthy . . . ", but, in spite of the fact that Congress and observers of Congress have over many years grappled with these problems,[2] no set of standards has yet been developed which Congress has been willing to enact into law.

B. The Standards Applied by the Committee

An analysis of the Report of the Select Committee and of the findings and the evidence upon which it is based demonstrates that the recommended censure of Senator Dodd because of his handling and use of testimonial and campaign funds was based upon the *ex post facto* application of at least four propositions.

It should be noted, at the outset, that the Committee made no finding that, as a result of the receipt of funds from testimonial dinners or campaign contributions, Senator Dodd's personal estate was enriched or enhanced. The Committee made no inquiry into the question whether the amounts received by Senator Dodd by way of campaign contributions and testimonial funds exceeded his total expenditures for campaign and political purposes, so that he reaped a net personal profit. As is demonstrated in Appendix C hereto, Senator Dodd's expenditures for political purposes exceeded by a substantial margin the amounts he received from campaign contributions and testimonial proceeds taken together.

The Committee's whole effort was to determine, not whether there had been a net diversion of funds to Senator Dodd's personal use, but whether, by a tracing of the funds received, it could be established that some of the funds from the testimonial or campaign contribution accounts were expended for purposes which might be characterized as "personal."

Thus, the first proposition upon which the Committee's conclusion is obviously based is the proposition that a Senator must at all times segregate in separate bank accounts, or by other means, personal funds on the one hand, and campaign or political funds, on the other. That this was a fundamental basis for the Committee's conclusion is also evidenced by the Committee's frequent references in its Report to the fact that there was a "mingling" of funds in these categories. See, for example, the Committee Report at pages 18, 20, 22, 23.

While such an "anti-mingling" rule might be a desirable and beneficial one, one while it might be sound as a matter of housekeeping in connection with the management of one's personal affairs, it has certainly never been accepted or adopted as a binding rule for the violation of which punishment should be imposed. In other words, even with respect to funds clearly designated by the donor as campaign contributions, while it might generally be recognized that funds in the amount of the donations should be put to political or campaign use, it has never, to our knowledge, been seriously advanced that the amounts so contributed must, under penalty of punishment or ostracism, be regarded as a trust *res*, and treated as such.

The second proposition upon which the Committee's conclusions are based is that, whenever a political candidate or officeholder is the beneficiary of a fund-raising "testimonial" the funds from which are to be devoted, in whole or in part, to his own personal use, those contributing must be specifically advised that the funds are intended for the personal use of the beneficiary. Thus, the Committee, in condemning Senator Dodd, pointed out that the notices of the fund-raising events, in some instances, "failed to state for what purposes the funds were to be used." (Report, p. 25.) The Report further commented that "not one solicitation letter, invitation, ticket, program, or other written communication informed the public that the funds were to be used for personal purposes." The Committee went on to find that "part of the proceeds" from these testimonials was used for his personal benefit. The Committee's obvious hypothesis was that it is only where the donors are specifically told that the funds are to be used for personal purposes that they may be so employed.

That this was an underlying principle which guided this Committee's action is also evidenced by the fact that the Committee did not, in its conclusions, distinguish between the various fund-raising dinners and other functions from which Senator Dodd received proceeds. With respect to the 1961 fund-raising dinner there was no evidence whatever that Senator Dodd, anyone acting for him, or anyone connected with the arranging for or conducting of, the dinner, represented in any way that the funds were to be used for campaign or political purposes. Thus, the materials relating to that dinner and annexed to the Stipulation of Facts as Appendices 1, 2, 3, and 4, consistently described the affair only as a "testimonial." The dinner was held in the middle of Senator Dodd's term. The Arthur Powers' letter soliciting contributions in connection with that dinner emphasized that it was a "nonpartisan tribute." Of the seven newspaper articles in the record relating to this dinner, six emphasized its "non-partisan" character, and two referred prominently to some of the Republicans present.[3] The Committee's inclusion of the proceeds from this dinner in the funds alleged to have been improperly diverted makes it clear that the Committee was resting on the proposition that any "testimonial" for a political candidate or officeholder must be presumed to have been for the purpose of raising campaign funds, unless some other purpose is explicitly stated. Such a rule is not only completely unsupported by any rule of law, generally accepted morals, or popular understanding, but is, indeed, contrary to the common understanding of such affairs.

The giving of "testimonial" dinners and other functions is not confined to the honoring of political figures. Thus, such functions are frequently given in tribute to people of accomplishment in many fields. Indeed, "testimonial" has been defined as "an expression of appreciation: token of esteem: tribute",[4] and as "a gift presented to someone by a number of persons as an expression of appreciation or acknowledgement of services or merit, or of admiration or respect."[5]

The Committee's treatment of these "testimonials" also ignored the multitude of affidavits submitted by persons who attended these affairs stating that they understood the money donated to have been intended for Senator Dodd's personal use. While it is true that such affidavits were not obtained from all of those in attendance at the affairs, it is also true that there was no contrary evidence or testimony given by any contributor to any of them.

Our contention that there is no common understanding or commonly accepted prin-

[2] Senator Dodd has consistently supported, and voted for, legislation of this sort. For example, on July 27, 1964, S. 337, a bill introduced by Senator Jordan, was brought to the Senate floor for action. The bill would have required a disclosure of business interests. On the floor an amendment was offered to strengthen the bill. This was the Clarke-Case amendment. Senator Dodd voted for this amendment, but it was defeated by a vote of 60 to 25. Then Senator Williams offered an amendment which would have required each Senator to report to the Ethics Committee once a year his assets and liabilities and a copy of his tax return. Senator Dodd voted for this amendment but it too was defeated, this time by a vote of 59 to 27. Finally, a motion to recommit was entertained and it was carried. Senator Dodd voted against the recommittal motion. The recommittal motion resulted in a bill with no financial disclosure provisions.

[3] Indeed, the only references in the press to the fact that some of the proceeds might be used for campaign purposes were in two articles which appeared after the dinner (and therefore could have had nothing to do with the intent of the donors). The Hartford Times reported that "*Some* of the money, it was reported will be used to clean up a deficit outstanding since Mr. Dodd's 1958 campaign." The New Britain News reported that the Treasurer of the committee "said the money will help Sen. Dodd meet his campaign deficit." The treasurer, Mr. Powers, denied under oath ever having made such a statement (Tr. 635–36).

[4] Webster's Third International Dictionary. It is interesting to note that this source cites as examples of the use of the word the following: "The testimonial planned in his honor" and "as a testimonial to his war service, he was . . . made the recipient of a sword of superb workmanship."

[5] Oxford Universal Dictionary, 3rd ed.

ciple that "testimonial" funds must be used only for campaign purposes also finds considerable support in testimony given by Senator Everett M. Dirksen in the trial of William G. Stratton which is reported as *United States* v. *William G. Stratton*, 15 A.F.T.R. 2d 775 (N.D. Ill. March 10, 1965). Senator Dirksen testified in part as follows:

"Q. Where a candidate receives a contribution from a supporter, is there any requirement with respect to how he uses that money?

"A. By requirement I would assume you mean a ruling or a regulation or an interpretation of existing law.

"There could be such rulings, of course, by the Internal Revenue Service, but I know of nothing in existing law with respect to an interpretation that very specifically puts a restriction on him as to how he uses it once the contribution or the gift has been made for that purpose." (Transcript, p. 7587)

Senator Dirksen recognized that it is common practice to accept private contributions for use in defraying expenses which are "personal" but which are one of the inescapable costs of holding public office:

"Q. Senator, with respect to the demands that are made upon a man in public office, how does he normally meet those demands?

* * *

"A. It is wholly a matter of judgment and capacity, and if counsel will permit, I can only say that I got rather curious about the demands on myself over a period of time, and we clocked them for a period of about six months, and generally speaking they ran at the rate of roughly a hundred dollars a day. Those are all forms of demands, for political purposes, for nonpolitical purposes, contributions where a church burned down or where a church wanted a new pipe organ or where they wanted to send a girls' basketball game to a league performance out east somewhere, and they are as varied as human activity.

"So we just lumped them all together and they ran at the rate of a hundred dollars a day.

"Well, manifestly that would exceed your entire salary, and how would you meet it unless you had sustaining funds out of which you could take care of it?

"So you have to become very selective about meeting demands of that kind.

"Q. And from where are such funds obtained?

"A. Well, there are helpful contributions from those who recognize the difficulty that public service interposes for you, and you undertake to use such funds, if you can, for that purpose." (Transcript, pp. 7588–90)

Senator Dirksen particularly recognized that a man in public office receives both general gifts and campaign contributions and that it is sometimes difficult both to distinguish between them and to determine what, if any, limitations should properly be imposed on the use of either:

"Q. I have a question or two, Senator:

"You discussed earlier two types of contributions which I understood you recognized as typically received by candidates or political leaders, politicians, one, campaign contributions and, two, general gifts, if I understood you correctly.

"Is that right?

"A. Yes.

"Q. In your experience do you have contributions received which are of two different types?

"A. Yes, I think so, and may it please the Court, let me illustrate for example: There are such committees as the National Senatorial Campaign Committee, which both parties maintain. A man may send a contribution to that committee that may be earmarked for me or for any other senator. There is no interdiction on it, no indication as to how it shall be spent.

"So if that contribution does reach me I would feel free to spend it in any way that my personal judgment dictated.

"Now in addition to that you get contributions that come directly to you, intended, of course, for the campaign that happens to be at hand, so there is a little bit of distinction there, I am quite sure. However, I don't know that there is any particular prohibition on how you should spend either one of these contributions." (Transcript, pp. 7626–7)

While the Select Committee apparently proceeded on the assumption that the description of a fund-raising function as a "testimonial" warranted the presumption that the proceeds were to be used for campaign purposes, it seems clear that an opposite presumption would be more warranted. In common parlance, it is submitted, a "testimonial" is a function to honor and give tribute to an individual; it would commonly be assumed that the benefits accruing to the person honored were for his unrestricted use.[6]

Thus, the second, highly questionable, principle which the Committee used to judge Senator Dodd's conduct was the proposition that no funds from a "testimonial" may be used for the personal benefit of the person honored unless those attending or contributing are specifically informed that such use is intended.

The third novel proposition upon which the Committee relies is that political funds must be used exclusively within "the political campaign period" and within the constituency for which they are solicited. This reliance is demonstrated by the fact that the Committee found that "Senator Dodd used at least $116,083" of "political" funds for his personal purposes[7] and, in describing the uses to which this amount was put, indicated that there was included within this $116,083 some amount which the Committee had allocated there because it constituted expenditures "incurred by Senator Dodd outside of Connecticut or by members of his family or his representatives outside of the political campaign period." Again, there is certainly no generally recognized rule of law or public morals that prescribes that money given for campaign purposes must be used within the jurisdiction embracing the office sought—particularly in a case such as this where it has been stipulated that some of the campaign funds were raised outside of Connecticut (Stipulation, ¶¶ 50–52, 55–56).

Nor is there any presently existing statute, rule or regulation which proscribes the expenditure of campaign funds other than for, or during the period of, a particular campaign. Indeed, the applicable rule for tax purposes is to the contrary. Thus, Revenue Ruling 54–80, 1954–1 Cumulative Bulletin p. 11, dealing with "political contributions" provides that: "Contributions to political organizations are customarily made with the intent and understanding that they be used for the expenses of a political campaign *or for some similar purpose*." The ruling goes on to say that "Where a political gift is received by an individual or a political organization and it is held or used for the purposes intended, *i.e.*, for present *or future* expenses of a political campaign *or for some similar purpose*, it is not taxable income to the recipient." Accordingly, even the Treasury Department[8] has recognized that contributions in connection with a particular campaign need not be expended solely on that campaign.

Finally, the Committee's conclusions are also based upon its finding, to which it apparently accorded considerable weight that: "*Senator Dodd exercised the influence and power of his office as United States Senator to directly or indirectly obtain funds from the public* through testimonials which were political in character, over a period of five years from 1961 to 1965." The Committee's assumption apparently was that it is contrary to law or public morals for a man in public office to engage in activities which are abetted by the prestige which he has in that office and which result in pecuniary benefit to him. While the scope of the principle upon which the Committee relied is not clear, it is not immediately apparent why, if it is applied at all, it ought not be applied to speaking tours, or any other public appearance from which a pecuniary benefit accrues. It should not require extended argument to demonstrate that no clear legal or moral rule has ever been formulated in this area.

C. The impropriety of the standards applied

It is evident that Senator Dodd has been judged against standards newly minted by the Select Committee. He faces, as a consequence, a severe punishment—a vote of censure which is intended to hurt him and which, if implemented, will hurt him.

Such a judgment and such a punishment cannot be squared with the Constitution of the United States.

In *Cummings* v. *Missouri*, 71 U.S. (4 Wall.) 277 (1867), the Supreme Court struck from the Reconstruction Constitution of Missouri a provision which would have barred from the exercise of the priestly office any person who did not take an oath that he had not supported the Confederacy or performed other acts reflecting something less than wholehearted support for the Union cause.

The Court, through Mr. Justice Field, said:

"The disabilities created by the constitution of Missouri must be regarded as penalties—they constitute punishment. We do not agree with the counsel of Missouri that 'to punish one is to deprive him of life, liberty,

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[6] The Committee attempts to provide some basis for distinguishing testimonials in behalf of Senator Dodd from other testimonials by characterizing them as "political in character." Admittedly they were "political" in the sense that the principal accomplishments of the man being honored were in the area of politics; they were "political" in the same sense that a testimonial for a minister is religious—for a doctor, medical. The Committee refers to the fact that the funds from the affairs were under the control of members of Senator Dodd's staff, the participation by members of Senator Dodd's staff, the political relationship between Senator Dodd and the sponsors, and the like. It does not appear, however, that any of the facts referred to would warrant the inference that persons donating to, or attending, such affairs should presume that the funds are to be employed only for campaign purposes.

[7] Since the Committee does not indicate in its Report, and has not otherwise advised Senator Dodd or his counsel, as to the complete make-up of the $116,083 of expenditures it found to be "personal", it is not possible to examine in detail its findings in this area. We note, however, the inordinate difficulty of determining, with respect to a man in political life, where his personal expenses end and where his political expenses begin. Senator Everett M. Dirksen has testified, in proceedings referred to *supra*, that, for example, "the purchase of clothing by a man that is frequently and constantly campaigning . . . could well be a political expense." (Transcript, pp. 7623–24.) In Appendix C hereto we have demonstrated that Senator Dodd's political expenditures were sufficient to absorb all of the funds received.

[8] The ruling does not of course speak to the question when a gift is a "political" contribution and when it is not. Thus, it does not answer the question whether a "testimonial" donation is "political" or personal.

or property, and that to take from him anything less than these is no punishment at all.' The learned counsel does not use these terms—life, liberty, and property—as comprehending every right known to the law. He does not include under liberty freedom from outrage on the feelings as well as restraints on the person. He does not include under property those estates which one may acquire in professions, though they are often the source of the highest emoluments and honors. The deprivation of any rights, civil or political, previously enjoyed, may be punishment, the circumstances attending and the causes of the deprivation determining this fact." (71 U.S. at 320).

It went on to define "*ex post facto* law":

"By an *ex post facto* law is meant one which imposes a punishment for an act which was not punishable at the time it was committed; or imposes additional punishment to that then prescribed; or changes the rules of evidence by which less or different testimony is sufficient to convict than was then required." (71 U.S. at 325–28)

On the same day that it decided *Cummings* the Court also struck down a Reconstruction statute which, in effect, barred a Confederate Senator and others who had supported the Confederacy from practicing before the Bar of the Supreme Court. *Ex Parte Garland,* 71 U.S. (4 Wall.) 333 (1867).

In *Burgess* v. *Salmon,* 97 U.S. (7 Otto) 381 (1878), the Court again recognized the broad sweep of the Constitutional provision outlawing the *ex post facto* imposition of punishments and penalties. Sustaining the dismissal of a Government *Civil* suit to recover allegedly unpaid taxes, the Court said:

"In the present case, the acts and admissions of the government establish the position that the duties exacted by law had been fully paid, and the goods had been surrendered and transported before the President had approved the act of Congress imposing an increased duty upon them.

"To impose upon the owner of the goods a criminal punishment or a penalty of $377 for not paying an additional tax of four cents a pound would subject him to the operation of an *ex post facto* law.

"* * * the *ex post facto* effect of a law cannot be evaded by giving a civil form to that which is essentially criminal." (97 U.S. at 384–85)

United States v. *Lovett,* 328 U.S. 303 (1946), although decided under the bill of attainder branch of the constitutional clause, also is relevant. There the Un-American Activities Committee of the House of Representatives, after conducting hearings, concluded that three federal employees were guilty of "subversive activities" and procured the enactment of a rider to an appropriations bill which barred the use of federal funds to pay them salaries.

As explained by the Court:

"The committee, stating that 'subversive activity' had not before been defined by Congress or by the courts, formulated its own definition of 'subversive activity' which we set out in the margin. Respondents Watson, Dodd, and Lovett were, according to the subcommittee, guilty of having engaged in 'subversive activity within the definition adopted by the committee.' " (328 U.S. at 311)

Such a procedure could not stand:

"No one would think that Congress could have passed a valid law, stating that after investigation it had found Lovett, Dodd, and Watson 'guilty' of the crime of engaging in 'subversive activities,' defined that term for the first time, and sentenced them to perpetual exclusion from any government employment. Section 304, while it does not use that language, accomplishes that result. The effect was to inflict punishment without the safeguards of a judicial trial and 'determined by no previous law or fixed rule.' The Constitution declares that that cannot be done either by a State or by the United States." (328 U.S. at 316–17)

Senator Dodd has been condemned, not cause he violated accepted rules, but because his situation, in which he required financial aid in order to hold public office, illustrates a problem which troubles every thoughtful American. That problem is the one of financing participation in public life in an age when the cost of even minimal communication with a large constituency far exceeds any salary which has ever been paid to any official.

From Senator Dodd's case a reasonable man could draw the conclusion that more detailed and specific regulation is required. But from the Committee's conclusions a fair man, conscious of the limitations of our Constitutional system, can only go forward to formulate new rules. He cannot go back, as the Select Committee went back, to measure that which has been done in the past by standards which have yet to be formulated and adopted.

II. Senator Dodd's constitutional rights were infringed by the select committee's use of stolen documents and the fruit of those documents

A. The Stealing of the Documents and Their Use by the Committee and Its Staff

The facts concerning the removal of documents from Senator Dodd's files were clearly established by the testimony of the persons involved:

James P. Boyd, Jr., former administrative assistant to Senator Dodd, testified that on Saturday and Sunday, June 12 and 13, 1965 and again on the following weekend, June 19 and 20, 1965, he made a total of seven entries into the Senator's office for the purpose of removing documents, copying them elsewhere, and covertly replacing the originals (T. 122–123). On four of these occasions he was accompanied by Mrs. Marjorie Carpenter, Senator Dodd's former personal secretary (T. 123), with whom Boyd was romantically involved (T. 214). Boyd and Mrs. Carpenter were able to enter the Senator's office after they had both been dismissed since Mrs. Carpenter had obtained a key for this purpose in January, 1965 (T. 123, Exec. T. 288), shortly after she had been dismissed by Senator Dodd, on December 7, 1964 (T. 123, 215).

They copied the documents they had taken, returned the originals,[9] and immediately delivered the copies to columnist Jack Anderson. (T. 159, 164)

Boyd brought Michael V. O'Hare, a former aide to Senator Dodd, to meet Anderson for the purpose of inducing him to remove additional documents (T. 243). Boyd thought that having a contact inside the Senator's office was preferable to making surreptitious trips himself (T. 184). Before O'Hare met Anderson, he was not an active participant and had doubts about the advisability of removing documents (T. 157, 243). After Senator Dodd had fired Terry Golden, with whom O'Hare was romantically involved (T. 243), and after his meeting with Anderson, O'Hare [10] removed large numbers of documents, also turning copies of them over to Anderson (T. 243). Miss Golden also participated in the removal of documents (T. 157–158).

James Boyd testified that his purpose in obtaining the documents was "to assure public disclosure of the facts in the hope that this would ultimately result in some form of official investigation into the conduct of Senator Dodd." (Committee Report, p. 31, Hearings, Part 1, pp. 170–71).

Approximately 4,000 documents were taken (T. 123).

The stealing of the documents from Senator Dodd's office gave rise to the Committee investigation which ultimately ensued. Copies of those documents were obtained by the Committee and used by its staff. While the Committee states in its Report that it decided that "it would be improper to use documents taken without consent from a Senator's office and therefore obtained all facts through its own independent investigation" (p. 12), it is evident that copies of the documents were reviewed by the Committee's staff and that facts gleaned from those documents were used by the Committee in its investigation.

Thus, at the outset of the hearings relating to Senator Dodd's relationship with Julius Klein, Senator Stennis, Chairman of the Committee, commented:

"Among the evidence examined by our staff were over four thousand documents which had been removed from Senator Dodd's files." (Hearings, Part 1, p. 3.)

These four thousand documents included both the documents bearing on the Klein matter and those bearing on the subsequent investigation of Senator Dodd's financial affairs.

In any event, an analysis of the proceedings before the Committee demonstrates that the stolen documents provided information which the Committee used in pursuing its inquiry. Specific illustrative instances are as follows.

1. On December 16, 1966, Benjamin R. Fern, Chief Counsel to the Committee, wrote the Institute for American Strategy requesting an affidavit regarding their payment to Senator Dodd for travel expenses. Mr. Fern stated that "the Committee has received information that Senator Dodd received a payment of $358.63 from the Institute, by Check No. 3257 dated December 30, 1964." There is only one source where this information could have been obtained—from the ledgers taken from Senator Dodd's office. Mr. Fern had subpoenaed the records of Riggs National Bank but neither the bank statement nor the deposit slip detailed this specific information.

2. On December 16, 1966, Mr. Fern wrote the American Medical Political Action Committee requesting information concerning their payment to Senator Dodd of travel expenses. He stated that "the Committee has received information that Senator Dodd received payments of $2,000 and $739.08, by AMPAC Checks Nos. 3669 dated June 17, 1964 and 3740 dated July 8, 1964". Again, the ledgers taken from Senator Dodd's office was the only record of this transaction in complete detail. The bank statement and the deposit slip do not disclose any of these details.

3. Another instance concerns a trip by Senator Dodd to Orlando, Florida. Again, details concerning this trip can only be found

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[9] It appears that either by inadvertence or design, not all of the documents taken were actually returned. See, e.g., the discussion concerning the diary of Senator Dodd's 1964 trip to Germany, a highly relevant and favorable document to Senator Dodd, which could not be located in the Senator's office but, fortunately, a copy of which was found at his home (T. 428).

[10] O'Hare, Senator Dodd's principal accuser, admitted under oath to having endorsed and cashed 19 checks drawn on Senator Dodd's personal bank account and made out to cash (Hgs., pp. 758–759). O'Hare's testimony that these checks cashed by him, which totaled over $2,000, had been signed by Senator Dodd in his presence was flatly contradicted by Charles Appell, one of the country's leading handwriting experts and for 25 years head of the F.B.I.'s section devoted to questioned documents. Mr. Appell concluded that none of these checks had been signed by Senator Dodd (Hgs., pp. 797–798).

in the ledgers of Senator Dodd and cannot be obtained from bank statements and deposit slip.

4. On June 9, 1966, a subpoena was issued to Lazarus Hayman, concerning a loan to Senator Dodd. The subpoena was specific in amount and date. This information could only be found in the ledgers and not in the bank statement and deposit slip.

5. By letter dated June 21, 1966, the Committee requested information about a second loan from Lazarus Hayman. The letter was specified as to the date, amount and check number of the loan, information which could only be obtained from the ledger and not the bank statement nor the deposit slip.

In each of these instances, and undoubtedly many others, the Committee used information which could only have come from the stolen documents in pursuing its investigation.

B. The Impropriety of the Committee's Action

The Fourth Amendment to the United States Constitution provides as follows:

"The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searchers and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized."

Obviously, the security of Senator Dodd in his "papers, and effects" has been seriously violated by the theft of a great mass of his private and personal records, and the subsequent use of these documents to provide evidence to be used as a basis for censure or other punishment. No public official can be "secure" within the meaning of the Fourth Amendment if his private office may be thus invaded, lawlessly and by stealth, and material so acquired used to prosecute him. The question then becomes whether the dictates of the Fourth Amendment are inapplicable because of any special circumstances present in this case.

In *Burdeau* v. *McDowell*, 256 U.S. 465 (1921) it had been held that the Fourth Amendment was directed only toward acts by governmental officials and did not preclude the use in a prosecution of evidence unlawfully obtained by a private person and subsequently delivered to the police or prosecutor. From this proposition it was deduced that, where evidence had been unlawfully obtained by State officials there was no bar to its use in a federal prosecution. *Byars* v. *United States*, 273 U.S. 28, 33 (1927); *Feldman* v. *United States*, 322 U.S. 487, 492 (1944).

In a strong dissent in the *Burdeau* case, in which he was joined by Justice Brandeis, Justice Holmes observed:

"Plaintiff's private papers were stolen. The thief, to further his own ends, delivered them to the law officer of the United States. He, knowing them to have been stolen, retains them for use against the plaintiff. Should the court permit him to do so?

". . . In the development of our liberty insistence upon procedural regularity has been a large factor. Respect for law will not be advanced by resort, in its enforcement, to means which shock the common man's sense of decency and fair play." (256 U.S. at 476–77)

For many years the rule of the *Burdeau* case was consistently followed in the federal courts. Finally, however, in 1960 in *Elkins* v. *United States*, 364 U.S. 206, 217 the Supreme Court rejected the previous rule that evidence unlawfully obtained by state authorities could be properly used in a federal prosecution.

As is pointed out in *Note, Exclusion of Evidence Obtained by an Unreasonable Search in a Civil Action*, 48 Cornell L.Q. 345 (1963), "the authority of [*Burdeau* v. *McDowell*, *supra*], however, after Elkins and Mapp is in serious doubt today", *id.*, n. 13 at 347. As the Court stated in *Elkins*, "to the victim it matters not whether his constitutional right has been invaded by a federal agent or by a state officer", 364 U.S. at 215. It can hardly reassure the victim that the invasion was effected by a private person who acted with the avowed intent of delivering the stolen papers to the authorities to be used as evidence in a prosecution.

If the federal authorities may not use illegally seized evidence handed to them on a "silver platter" by overzealous state police, there is little logic in allowing them to use similar evidence when provided by a private person acting on his own initiative. Indeed, there is less: for the police officer at least is invested with his authority by the due forms of law, and is governed and restrained by his position as a public servant who acts in the realization that his conduct will be subject to the scrutiny of his superiors, of the courts, and of the public press. Private individuals act only on their own authority, as so many self-appointed attorneys-general, and are subject to no such restraints. Whether motivated by a personal grudge or by a sincere belief that he must act the vigilante for the public good, the private citizen who takes upon himself the power of investigating and prosecuting his fellow-citizens is as real a danger to the right of privacy and security guaranteed by the Fourth Amendment as is the overzealous policeman.

The conduct engaged in by Dodd's former employees—"to rummage at will among his papers in search of whatever will convict him", Learned Hand, J. in *United States* v. *Kirschenblatt*, 16 F.2d 202 at 203 (2d Cir. 1926)—would have rendered all such evidence inadmissible if done by government employees, or, presumably, if done by these private persons at the instigation of federal agents. Can it be said that Senator Dodd's "right to be secure in [his] . . . papers" is the less effectively destroyed because these papers were stolen in the first instance by private vigilantes, rather than by overzealous police officers?

At least one Court of Appeals has assumed that the decision in *Elkins* "changed" the "silver platter" rule both to private persons as well as state officials. *Williams* v. *United States*, 282 F. 2d 940, 941 (6th Cir. 1960). While other cases have continued to distinguish between "private" and "official" action, *e.g.*, *United States* v. *Goldberg*, 330 F. 2d 30, 35 (3d Cir. 1964), cert. denied, 84 S.Ct. 1630; *Knoll Associates, Inc.* v. *Dixon*, 232 F. Supp. 283, 286 (S.D.N.Y. 1964), some of those which have done so have been badly split on the question. Thus, in *Sackler* v. *Sackler*, 15 N.Y. 2d 40, 203 N.E. 2d 481, 255 N.Y.S. 2d 83 (1964), a civil action for adultery based on evidence secured by the forcible breaking-into of defendant's home, the New York Court of Appeals held (5–2) that *Burdeau* v. *McDowell*, *supra*, remained "the definitive holding that the Fourth Amendment has nothing to do with non-governmental intrusions", 15 N.Y. 2d at 43, 203 N.E. 2d at 483. However, it is noteworthy that the trial judge, the dissenters from the 3–2 decision in the Appellate Division, and two judges of the Court of Appeals, all believed that "*Burdeau* v. *McDowell* . . . was, in effect, overruled by *Elkins* v. *United States*", 15 N.Y. 2d at 45, 203 N.E. 2d at 484 (Van Voorhis, J., dissenting).

It is becoming increasingly difficult for courts to avoid the conclusion embodied in *Elkins*, that the privacy and security of one's personal belongings is as effectively destroyed whatever the identity of the intruder whose trespass is retroactively rewarded by a successful prosecution based on use of the evidence so obtained. The "private person" exception to the now-uniform rule of exclusion of illegally-seized evidence will provide a continuing temptation to overzealous prosecutors and law enforcement officials, both state and federal, to conduct illegal searches and seizures through the agency of "private" undercover agents and informers. In addition, continuance of the rule will perpetuate the kind of situation declared lawful in *Sackler* v. *Sackler*, *supra:* encouraging private citizens engaged in private civil litigation to resort to forcible and lawless intrusions into the homes and offices of their opponents, to obtain whatever evidence is desired, secure in the knowledge that whatever tort "remedies" the victim may have, he or she is powerless to prevent the public use of such evidence in a court of justice.

It is submitted that the *Elkins* decision should be carried to its logical conclusion and that the Fourth Amendment should be construed to bar the use in litigation or punitive proceedings of unlawfully seized or stolen evidence, whoever the thief may be.

It is, of course, clear that there is nothing about the nature of the proceedings before the Senate which exempt them from the requirements of the Fourth Amendment. As we have noted above, the Bill of Rights is fully applicable to Congressional investigations. *Watkins* v. *United States*, 354 U.S. 178 (1957). As the Court pointed out in *Nelson* v. *United States*, 208 F. 2d 505, 513 (D.C. Cir. 1953), "The Fourth Amendment exempts no branch of the Federal government" and "this constitutional guaranty applies with equal force to executive, legislative, and judicial action."

The only remaining question is whether there is anything about Senator Dodd's status as a Senator which puts him beyond the protection of the Fourth Amendment. We know of no authority to the effect that by becoming an elected or appointed governmental official an individual forfeits his right to the protection of the Fourth Amendment.

The Amendment has, of course, been held to be broadly applicable to people in all walks of life and even though they may be under duties or disabilities that differentiate them from most citizens. Thus, it has been held that the Fourth Amendment protects aliens, *United States* v. *Wong Quong Wong*, 94 Fed. 832, 834 (D. Vt. 1899); *United States ex rel. Mezei* v. *Shaughnessy*, 195 F. 2d 964, 967 (2d Cir. 1952), and parolees, *Brown* v. *Kearney*, 355 F. 2d 199, 200 (5th Cir. 1966). It protects artificial persons, *i.e.*, corporations. *United States* v. *Morton Salt Co.*, 338 U.S. 632 (1950). The Fourth Amendment is broadly drawn; it is unlimited as to the persons to whom it applies.

It might be suggested that a Senator, because he is a "public official", is entitled to less privacy than is the private citizen, by analogy with the reasoning which holds that his right to maintain a libel action is circumscribed by his status as a public official, *New York Times Co.* v. *Sullivan*, 376 U.S. 254 (1964). However, the policy considerations which dictated the holding in *Sullivan* were the urgent necessity of preserving the public's freedom to freely criticize those men entrusted with the public's business, and the dangers of allowing those men to use the libel suit as a weapon with which to crush critics. 376 U.S. at 291, 292.

The result in the *Sullivan* case was dictated by the Bill of Rights, not in contravention of it. It is one thing to say that free speech with respect to the activities of public officials is so important that, once having placed himself in the spotlight of public office, such an official has severely restricted his capacity to secure redress for the things said about him. It is quite another to say that by holding public office he has forfeited his rights as a citizen so far that unlawful invasion of his privacy and personal effects is to be encouraged and rewarded. Are public officials

to be less protected from such intrusion than persons charged with the most heinous crimes?

No one could reasonably claim that the First Amendment right to free speech, and to the fearless criticism of an elected official, necessarily includes the right to burgle that official's home or office in order to obtain evidence against him. To state such a proposition is to refute it.

It is true that the cases have always recognized that the Fourth Amendment is to be construed less strictly in regard to certain quasi-public types of records, *i.e.*, those records and reports required by law to be kept in order that there may be suitable information available to the government with respect to transactions which are the appropriate subjects of government regulation. See, *e.g.*, *S.E.C.* v. *Olsen*, 354 F. 2d 166, 170 (2d Cir. 1965); *Peeples* v. *United States*, 341 F. 2d 60, 64 (5th Cir. 1965), *cert. denied*, 380 U.S. 988; *Davis* v. *U.S.*, 328 U.S. 582, 593 (1946). This is a well-established doctrine, but it has no application to the facts of this case. The records stolen from Senator Dodd, and upon which his recommended censure is based, are not claimed to be this "public" kind of records. Rather, they were the private papers of a citizen who has been elected to representative office under the Constitution and laws of the United States. Indeed, every citizen must be concerned if the private papers of an elected representative may be stolen with impunity, and thereafter used by the government in an inquisitorial process to destroy his reputation.

CONCLUSION

For all of the reasons indicated, the deliberations and judgment of the Select Committee denied to Senator Dodd the protections of fairness and due process which in this country are universally applied to those charged with misconduct.

For the Senate to sanction such procedures by accepting the Committee's recommendations would not only be unfair to Senator Dodd, it would establish for future proceedings a dangerous and destructive precedent.

Respectfully submitted.

CAHILL, GORDON, SONNETT,
REINDEL & OHL,
Counsel for Senator Thomas J. Dodd.

APPENDIX A

[From the office of Senator EUGENE J. MCCARTHY, Senate Office Building, Washington, D.C.]

APRIL 27, 1967.

MCCARTHY EXPECTS SENATE APPROVAL OF THE DODD CASE

Following are Senator Eugene J. McCarthy's (DFL–Minn.) comments on the Dodd report:

"The report on the Dodd case together with the conclusion and the recommendations on the resolution I am sure will be subject to some criticism. It was difficult to get agreement within the Committee itself. Each member of the Committee had some reservations about some aspects of the report or about some of the language.

"The Committee is not a court required to pass on legal questions since a member of the Senate is subject to the same laws as any other citizen. The special responsibility of the Committee is for standards and conduct. Possible violations of law were referred to the appropriate agencies of the Government. Since no formal or official code of ethics for the Senate has yet been established, it was difficult to move in the area of ethical and moral standards. The Committee did attempt to pass a fair judgment on the basis of what it considered to be the generally accepted standards and also on the basis of the rules and standards which it anticipated may be recommended and eventually accepted by the Senate.

"I expect that the Senate will approve our report and also pass the resolution."

APPENDIX B

U.S. SENATE,
Washington, D.C., May 4, 1967.

Re Reimbursed Travel Expenses.

DEAR SENATOR: The Select Committee on Standards and Conduct of the United States Senate (the "Ethics Committee"), in its report to the Senate dated April 27, 1967, has proposed that I be censured on two grounds: *viz.*, (1) that I received multiple reimbursement for certain travel expenses including reimbursement by the U.S. Senate; (2) that I spent political funds on personal expenses.

The purpose of this letter is to set forth the facts concerning the first charge to the extent they are not reflected in the report of April 27, 1967.

It is certainly reasonable to assume that negligent error by my bookkeeper would not form the basis for a recommendation of censure. Accordingly, although not stated, it appears that the first ground for the proposed censure is that I knowingly received from the Senate between 1961 and 1966 the admittedly erroneous reimbursement for travel expenses referred to in the report of April 27, 1967.

During the period in question, 1961 through 1966, I made more than 80 trips for which I was reimbursed either by the Senate or by private organizations. The Ethics Committee's proposed censure relating to reimbursed expenses is based on seven of these more than 80 trips and involves a total reimbursement to me of $1,767.14. The points that I wish you would bear in mind in considering this may be summarized as follows:

(i) Michael V. O'Hare, my former bookkeeper, who leveled this charge of double billing against me in the first instance, was in charge of all travel matters for me between May, 1961, and January, 1966;

(ii) O'Hare made numerous mistakes both in requesting reimbursement for travel expenses and in failing to do so—this is evidenced in part by five letters which are enclosed herewith and by the Stipulation of March 11, 1967, between me and the Ethics Committee;

(iii) One of O'Hare's mistakes was in failing to claim reimbursement from the Senate to which I was entitled for travel between Washington and Connecticut. His error here resulted in a loss to me of between $1,092.00 and $1,837.57; depending upon the mode of travel;

(iv) Two of the errors made by O'Hare, and corrected by him, pursuant to the letters enclosed, resulted in a transfer to my personal travel account of charges previously billed in error to Senate Subcommittees; and

(v) Two of the erroneous billings took place prior to O'Hare's employment and two took place after O'Hare had transferred his allegiance to Drew Pearson and Jack Anderson.

In light of the foregoing, all of which is set forth in more detail below, it is and has been my consistent position that these erroneous reimbursements by the Senate were the product of negligence on the part of my bookkeepers and not an intentional act on their part and, in any case, certainly not known or directed by me. To this I might add only one qualification. Recognizing that the last two erroneous double billings by O'Hare took place after his secret defection, they may indeed have resulted from a conscious effort on his part.

It is uncontested that on the seven occasions referred to in the Ethics Committee report, the Senate erroneously reimbursed me for a previously or subsequently reimbursed travel expense. However, what is not reflected in the report, although reflected in the Stipulation of March 11, 1967, paragraph 108, is the fact that on 21 occasions, between 1961 and 1966, I incurred travel expenses on official business of the U.S. Senate for which I was entitled to be reimbursed under 2 U.S.C. Sec. 43(b) and for which reimbursement was neither received nor claimed. The total dollar amount involved in the seven erroneously reimbursed trips is $1,767.14, and the total reimbursement involved in the twenty-one trips to which I was entitled and for which no claim was ever made was between $1,092.00 or $1,837.50, depending on the mode of travel (see Stipulation of March 11, 1967, paragraph 109). Hence, the maximum erroneous reimbursement is $675.14.

O'Hare was charged with the responsibility for claiming reimbursement for me regarding travel on official Senate business. In his testimony before the Ethics Committee, O'Hare contended that on five separate occasions from 1961 to 1965 he was specifically instructed by me to claim improper reimbursement from the Senate for travel which was reimbursed to me by an outside organization. The amount of the erroneous reimbursement by the Senate on each of these five occasions ranged from $163.63 to $397.27. Against the background contention by O'Hare, an apt contrast is provided by O'Hare's explanation of his failure to claim reimbursement for the twenty-one trips for which it has been stipulated that I was entitled to reimbursement even after O'Hare, by his own admission, learned in 1965 of the right to reimbursement. O'Hare stated:

"In order to gain reimbursement I would have had to do a complete audit . . . for that year or maybe year and a half . . . and for the sake of just two or three trips this was just too arduous a task for me to do at this time." (T. 1255–56)

O'Hare's claim of conscious erroneous billing must also be contrasted with the fact that two of the seven erroneous billings, one in the amount of $24.53 and the other $127.82, took place prior to O'Hare's employment.

Perhaps the most important fact to be taken into account in this connection is that in 1962 and again in 1963, O'Hare caused travel originally charged to a Senate Subcommittee to be transferred to my personal travel account. This is reflected in the letters attached hereto as Exhibits 1 and 2 (these letters were not accepted as a part of the record in the Ethics Committee investigation). It is impossible to square these letters with O'Hare's testimony that I had instructed him to consciously double bill on five separate occasions spanning the years 1961 to 1965.

When these letters are considered with the fact that two of the seven erroneous billings took place prior to O'Hare's employment and the concession of O'Hare that two took place after he had switched allegiance from me to Pearson and Anderson, the only rational conclusion here is that these multiple reimbursements were a product of human error with the possible exception of the last two. These last two, it is noted, took place after O'Hare switched allegiance and it is entirely possible that they were the subject of an intentional act on the part of O'Hare rather than negligence on his part.

Other errors by O'Hare in billing travel expenses are evidenced by Exhibits 3 to 5 attached hereto. They are letters written by him in which travel expenses were switched from one account to another.

The account numbers referred to in the various letters attached hereto are identified as follows:

Account number AAQ–1331–WAA, chargeable to: Personal.

Account number AAQ–7866–NAA, chargeable to: Internal Security Subcommittee of

the Judiciary Committee of the United States Senate.

Account number AAQ–26589–WAA, chargeable to: Juvenile Delinquency Subcommittee of the Judiciary Committee of the United States Senate.

The foregoing five letters, copies of which are attached hereto, were offered to the Ethics Committee both before and after the most recent hearings and were rejected on both occasions.

In considering this charge of knowingly receiving multiple reimbursement from the Senate, consideration should also be given to the statements by the bookkeepers who preceded and followed O'Hare (these statements were submitted to the Committee but were never included in the record. They are attached hereto as Exhibits 6 and 7).

The first employee to keep the financial records was Barbara Beall who began her employment with me in January, 1959, and continued it until she terminated her employment in January, 1961. During this period she was my personal secretary as well as the bookkeeper. Covering her bookkeeping duties for me, Miss Beall states:

"During the time I was your personal secretary and bookkeeper it was part of my duty as bookkeeper to bill for trips made by you. Accordingly, I had occasion to bill subcommittees and private organizations. I am sure that I never billed two organizations, such as a subcommittee and a private organization, for the same trip nor did I bill any organization more than one time for the same trip, and you certainly never ASKED me or anyone else to do so." (Exhibit 6, Letter from Barbara Beall dated August 1, 1966, emphasis in the original).

Miss Beall terminated her employment with me in January 1961, and I had no official bookkeeper until May, 1961, when O'Hare was employed in that capacity. From January 1961 to May 1961, the checkbooks were maintained by several people. It was during this period that the first two errors in billing were made.

The books are presently maintained by Doreen Moloney. Miss Moloney states:

"Since January of 1966 I have maintained Senator Dodd's books, which were previously maintained by Michael V. O'Hare. In this capacity, I have handled the Senator's travel arrangements which included the purchasing of tickets and the receipt of reimbursement for travel expenses incurred by Senator Dodd. I have never billed more than one organization for any particular trip nor was I ever instructed to do so." (See Exhibit 7, Affidavit of Doreen Moloney dated January 21, 1967).

To recapitulate, against the unsupported accusation by O'Hare there stands: (i) two letters (Exhibits 1 and 2) evidencing two separate occasions, one in 1962 and another in 1963, when O'Hare transferred a charge for travel expenses from a Senate Subcommittee to my personal account; (ii) three other occasions (Exhibits 3, 4 and 5) on which O'Hare was compelled to credit other erroneous billings he had made; (iii) the statements by the bookkeepers who preceded and followed O'Hare pointing out that they were never asked by me to make erroneous billings and, in fact, never made erroneous billings; and (iv) my testimony in which I denied O'Hare's accusation under oath and described O'Hare as a "liar."

But even if the documentary and third party evidence in support of me were lacking, the conclusion would be unchanged. In that event the issue would turn solely on O'Hare's credibility, or lack thereof. And there is compelling evidence that O'Hare's testimony is not credible, even if your ignore the inherent incredibility of O'Hare's assertion that on five separate occasions over a period of four years he had been specifically instructed to make an erroneous billing to the Senate of a trifling amount.

O'Hare admitted active participation in the unauthorized removal of my documents while he continued to pose as a loyal employee. His life was a lie by his own admission from July 1965 until January 1966, when he finally terminated his employment with me. On cross examination O'Hare testified that my purported signature on the money orders he had used to make certain payments had been forged by him. He also conceded that certain of my checks, made out to cash and put in evidence at the hearings, bore his endorsement on the back. He contended, however, that the signature on those checks were my genuine signature and that I had signed them in O'Hare's presence. This latter contention was refuted by the testimony of Mr. Charles Apel, one of the country's leading handwriting experts who served 25 years with the F.B.I. Mr. Apel established the F.B.I.'s laboratory for document analysis and was in charge of it for many years.

In short, O'Hare had previously conceded in his testimony an ability to deceive and his indifference to the commission of a crime. Furthermore, his ability to forge my signature, coupled with the testimony of handwriting expert Apel, raises serious questions as to whether or not O'Hare participated in illegal acts other than those which he admitted.

O'Hare's testimony in this case is simply not credible on any analysis.

There are absolutely no facts whatsoever on which to base a recommendation of censure for double billing.

Sincerely,

THOMAS J. DODD.

EXHIBIT 1

MAY 15, 1962.

Re: AAQ–7866–NAA.
AMERICAN AIRLINES, INC.,
Credit and Collections,
New York, N.Y.

GENTLEMEN: On March 23, and March 26, 1962 I charged ticket Nos. 166033 & 104303 respectively to the above account.

The charge for these flights should properly be applied against my personal account. I would appreciate it if you would transfer the $50.60 charge for these trips to AAQ–13331–WAA on your next billing.

With best wishes.

Sincerely yours,

THOMAS J. DODD.

EXHIBIT 2

MARCH 4, 1963.

Re: AAQ–7866–NAA.
AMERICAN AIRLINES, INC.,
Credit and Collections,
New York, N.Y.

GENTLEMEN: On March 1, 1963 I charged a round trip ticket from Washington to Los Angeles to the above account.

I would appreciate it if you would transfer this charge to AAQ–13331–WAA.—personal.

With best wishes.

Sincerely yours,

THOMAS J. DODD.

EXHIBIT 3

NOVEMBER 10, 1961.

MR. WILSON HOWARD,
American Airlines,
New York, N.Y.

DEAR MR. HOWARD: On October 23, 1961 I traveled from Providence to Washington and inadvertently charged the ticket to the wrong account.

The ticket was charged on Account No. AAQ–13331–WAA and should properly have been charged on Account No. AAQ–7866–NAA. I would appreciate it if you would correct your records, and bill accordingly.

Please accept my apology for any inconvenience this may cause you.

With best wishes.

Sincerely yours,

THOMAS J. DODD.

EXHIBIT 4

MARCH 12, 1962.

Re: AAQ–26589–WAA.
AMERICAN AIRLINES, INC.,
Credit and Collections,
New York, N.Y.

GENTLEMEN: On October 10, 1961 I inadvertently charged Ticket No. 7133338 for $25.85 to the above listed account. It should properly have been charged to AAQ–7866–NAA. I would therefore appreciate it if you would transfer the charge on your next billing.

Thank you for your assistance in this matter.

With best wishes.

Sincerely yours,

THOMAS J. DODD.

EXHIBIT 5

APRIL 4, 1964.

MR. DON CAMPBELL,
American Airlines, Inc.,
Washington, D.C.

DEAR MR. CAMPBELL: On Thursday, February 27th I charged a round trip ticket from Washington to Los Angeles to account No. AAQ–7866–NAA.

I would appreciate it if you would transfer this charge to account No. AA–26589–NAA.

With best wishes.

Sincerely yours,

THOMAS J. DODD.

EXHIBIT 6

AUGUST 1, 1966.

Hon. THOMAS J. DODD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: I am sending this letter to you at your request.

My name is Barbara Beall. I live at 225 Kaiulani Avenue, Honolulu, Hawaii. I was employed by you from January 1959 to January 1961. As the first secretary to be hired for your staff as Senator-Elect, I began working as receptionist and general secretary in your office and then from the summer of 1959 to January 1961 I was your personal secretary and bookkeeper.

During the time I was your personal secretary and bookkeeper it was part of my duty as bookkeeper to bill for trips made by you. Accordingly, I had occasion to bill subcommittee and private organizations. I am sure that I never billed two organizations, such as a subcommittee and a private organization, for the same trip nor did I bill any organization more than one time for the same trip, and you certainly never asked me or anyone else to do so.

Indeed, you were such a stickler for honesty that you had the whole staff on pins and needles sometimes when you would discover such a thing as a letter which you considered personal being mailed without a stamp by a staff member who was about to let it go out under the frank. You would be annoyed for the rest of the day over something like that.

Frankly, I considered it a refreshing experience to work for you as you time and again exhibited a real code of ethics by which you lived.

Most sincerely,

BARBARA BEALL.

EXHIBIT 7

AFFIDAVIT

I, Doreen Maloney, state that I am presently employed by Senator Thomas J. Dodd and have been employed by him since March, 1962.

Since January of 1966 I have maintained

Senator Dodd's books, which were previously maintained by Michael V. O'Hare. In this capacity, I have handled the Senator's travel arrangements which included the purchasing of tickets and the receipt of reimbursement for travel expenses incurred by Senator Dodd. I have never billed more than one organization for any particular trip nor was I ever instructed to do so. On the contrary, I am sure that if either the Government or private organizations were erroneously billed for travel expenses, Senator Dodd would insist that I correct it. However, no such erroneous billings occurred since I have maintained the books.

DOREEN MALONEY.

WASHINGTON, D.C.

Now appeared before me this 21st day of Jan., 1967, the aforesaid Doreen Maloney, personally known to me who being duly sworn, declared that the aforesaid statement consisting of one page is true.

JAMES F. GARTLAND,
Notary Public.

APPENDIX C

The Committee has charged that Senator Dodd spent at least $116,083 derived either from testimonial proceeds or from campaign contributions on "personal" expenses (Report, p. 25). The Committee does not detail which expenses it concluded to be personal or whether the funds allegedly diverted to personal use were diverted from testimonial proceeds or from campaign contributions.

In this Appendix we will analyze the record in order to demonstrate that Senator Dodd's expenses of a political nature exceeded the total available to him from campaign and testimonial sources. Since the Committee adopted a "tracing" approach it did not attempt to answer the question with which this Appendix deals.

The campaign contributions received by Senator Dodd in connection with his 1964 campaign were deposited in four separate accounts which may be identified as follows and which were used exclusively for the deposit of campaign contributions: Dollars for Dodd, Dodd for Senator, Citizens Committee for Dodd and the National Non-Partisan Committee for Reelection of Senator Thomas J. Dodd.

The stipulation identifies the expenditures from each of these accounts (Stipulation, ¶¶ 39, 40, 45, 49 and 52, Hgs., pp. 858–859). In addition, some campaign contributions were deposited in Testimonial Account No. 2, which we will consider below.

We have analyzed the expenditures from all of the campaign contribution accounts listed above. With respect to the Citizens Committee and the National Non-Partisan Committee accounts, the Committee stipulated that there was no expenditure for other than a political purpose. (Stipulation, ¶¶ 49 and 52, Hgs., p. 859).

A careful analysis of the record of expenditures from the Dodd for Senator Account and the Dollars for Dodd Account reveals a small amount of expenditures which appear to have been for "personal" purposes. These expenditures are set out in Schedule 1. They total $3,109.54.

Turning to Testimonial Account No. 2, paragraphs 56 and 57 of the stipulation (Hgs. p. 860) reflect the deposit in that account of campaign contributions in the amount of $80,818.31. In addition, there was, at a later date, a transfer to this account from the Dodd for Senator Account and the Dollars for Dodd Account in the amount of $25,093.43. (Stipulation, ¶¶ 66(e) and 66(d), Hgs. p. 861). Thus, there was a total amount of $105,906.74 of campaign contributions deposited in the Testimonial Account No. 2*.

*The $105,906.74 does not include $5,400.00 of campaign funds which was erroneously deposited in Testimonial Account No. 2. But this is $4,756.52 less than the $110,663.26 of political expenditures made from that account. Computation of the $110,663.26 of political expenditures is set forth in Schedule 3 hereto.

Thus, if, as we contend, the proceeds of the testimonial affairs from which this political deficit of $4,756.52 was financed are viewed as the personal funds of Senator Dodd, it will be seen that there was no net diversion of campaign funds to personal expenses. And if the proceeds of the testimonial affairs are viewed as political funds, it is seen that the maximum amount of personal expenses paid for from political accounts was $7,746.03, comprised of the $3,109.54 paid from campaign accounts other than Testimonial Account No. (see Schedule 1), $1,186.92 of erroneous travel charges paid from Testimonial Account No. 2 (see schedule 3) and $3,449.57 of personal expenses paid from Testimonial Account No. 2 (see schedule 4).

This is insignificant particularly when compared with the personal deficit of Senator Dodd of about $50,000 which resulted from the payment of campaign and other political expenses, including the unreimbursed costs of office, of about $220,000 as compared to the net testimonial proceeds of about $170,000. This deficit was spelled out in more detail in Senator Dodd's memorandum circulated to the Senate under date of May 17, 1967.

(Stipulation ¶¶ 54(b) and 57, Hgs., pp. 859–860). This $5,400 is more than offset by the equally erroneous transfer of $6,000 to the Dodd for Senator Account from the proceeds of the D.C. Reception. Senator Dodd had borrowed these funds from the Testimonial Account and repaid them to the Dodd for Senator Account on the basis of incorrect advice from his accountant. (Stipulation ¶ 44, Hgs., p. 858).

Schedule 1 to app. C—List of expenses paid from the Dodd for Senator Committee bank account which appear to be personal in nature (app. 25, hearings, pp. 951–953)

	Amount
Beverly Hills Hotel: Room, etc., Feb. 25, 1965, Thomas J. Dodd	$60.59
Congressional Country Club: Dues, January, March, and May 1965	48.00
Coral Ridge Hotel: Room, Florida (no date or name given)	23.69
Essex House: Room (1 day), etc., Nov. 6–7, 1964, Senator and Mrs. Thomas J. Dodd	52.32
New York Athletic Club: Miscellaneous charges by Senator Dodd, Jan. 28, 1965	32.17
Suburban Propane Gas Corp.: Propane gas service to Clarks Falls, Conn., residence of Senator Dodd, Feb. 8, 1964–Mar. 18, 1965	49.13
University Club: Dues	101.13
American Airlines (app. 25a, hearings, p. 954):	
Nov. 6, 1964:[1] Senator and Mrs. Dodd to Jamaica	460.00
Nov. 12, 1964:[1] Senator Dodd (2 fares) rerouting to Curacao	375.00
Nov. 17, 1964:[1] Senator Dodd and wife, rerouting charge	14.40
Dec. 22, 1964:[1] Tom and Nick Dodd, Washington to New London	53.04
Jan. 4, 1965: Mr. C. Dodd, Washington to Providence	29.14
Jan. 29, 1965: Mrs. Dodd, to London	752.00
Feb. 19, 1965:[1] Senator Dodd, Washington to Miami	153.72
Feb. 19, 1965:[1] Senator Dodd, Providence to Miami	197.19
Subtotal for American Airlines	2,064.84
Statler-Hilton Hotel, Hartford, Conn. (app. 25c, hearings, p. 955), Oct. 19–20: Room (1 day) Jeremy Dodd	$30.39
Texaco, Inc. (app. 25e, hearings, p. 957): All charges after Nov. 3, 1964, excluding charges for Senator Dodd	218.33
Total of the above	2,680.59
On 2 occasions, travel expenses which were paid by a private group which had invited Senator Dodd to speak were also paid, erroneously, from campaign funds. These were as follows:	
1. A private organization reimbursed Senator Dodd's expenses of $136 for travel (hearings, pp. 1015–1016). The Dollars for Dodd Committee actually paid the bill (app. 23, hearings, p. 938)	136.00
2. A private group reimbursed Senator Dodd's travel expenses of $292.95 (hearings, p. 1017) although the Dodd for Senator Committee actually paid the bill (app. 25a, hearings, p. 954)	292.95
Total erroneous charges to campaign accounts	428.95
Total personal expenses and erroneous charges	3,109.54

[1] Although all of these charges relate to the same trip, no credit is reflected for the tickets not used.

Schedule 2 to app. C—List of expenses directly associated with testimonials paid from testimonial account No. 2

Payee	Testimonial involved [1]	Amount
Ace Printing Co. (app. 35, hearings, p. 993)	Dodd Day	$471.97
Advertising Novelty Co. (app. 34, hearings, p. 993)	1963 District of Columbia reception.	124.50
Aldor Sparks Co. (app. 35, hearings, p. 993)	1965 dinner	15.00
Ambassador Restaurant (app. 35, hearings, p. 993)	do	412.55
Congress Printers (app. 35, hearings, p. 993)	do	1,761.31
Democratic National Committee (app. 35, hearings, p. 993)	do	7,500.00
Hartford Club (app. 35, hearings, p. 994)	Dodd Day	810.23
King Cole Stores (app. 35, hearings, p. 994)	1963 testimonial	510.56
Lebon Press, Inc. (app. 35, hearings, p. 994)	do	38.30
Lee Shaw's Restaurant (app. 35, hearings, p. 994)	1965 testimonial	494.15
Murphy, Inc. (app. 35, hearings, p. 994)	1963 testimonial	102.00
Pat Dorn Orchestra (app. 35, hearings, p. 994)	1965 dinner	173.00
Pickwick Arms (app. 35, hearings, p. 994)	Dodd Day	15.68
Pinkerton (app. 35, hearings, p. 994)	1965 dinner	55.00
Shaine, Robert (app. 35, hearings, p. 994)	1963 District of Columbia reception.	$500.00
Trade Sign Hangers (app. 35, hearings, p. 995)	1963 and 1965 testimonials.	90.00
Yush Sign & Display Co. (app. 35, hearings, p. 995)	1963 testimonial	25.88
Statler Hilton Hotel (Hartford) (app. 35e, hearings, pp. 999–1000):		
1. All expenses between Oct. 22 and 26, 1963, were associated with Dodd Day.		402.31
2. All expenses between Mar. 5 and 7, 1965, were associated with the 1965 dinner.		9,165.21
Total		22,667.65

[1] The specific description of each expenditure is omitted; however, every expenditure listed herein is specifically associated with the testimonial mentioned in app. 35.

Schedule 3 to app. C—How the figure of $110,663.26 for total political expenses paid from testimonial account No. 2 was computed

	Amount
Total amount of expenditure from testimonial account No. 2 (which are listed in app. 35 of the stipulation, 993–1002)	$135,440.40
Transfer from testimonial account No. 2 to Citizens Committee for Dodd used for campaign purposes (from par. 68(a) of the stipulation, T. 861)	2,500.00
Total	137,940.40
Less expenses directly associated with the testimonial affairs (as listed in schedule 2 of this appendix)	22,667.65
Total	115,272.75
Less total amount of personal expenses (as listed in schedule 4 of this appendix)	3,449.57
Total	111,823.18

	Amount
Less erroneous travel charges:	
1. A private group reimbursed Senator Dodd's travel expenses, accompanied by former employee Michael O'Hare, of $686.06 (hearings, p. 1017), although the bill was actually paid from testimonial funds (app. 35a, p. 997)	$686.06
2. A private group reimbursed Senator Dodd's travel expenses of $220.14 (hearings, pp. 1017–1018), although the bill was actually paid from testimonial funds (app. 35a, hearings, p. 996)	220.14
3. On 1 trip to Los Angeles, Senator Dodd was accompanied by Mrs. Dodd and a member of his staff, James Gartland. The Senate paid the Senator's expenses and the private organization paid Mrs. Dodd's expenses of $280.72 (hearings, p. 1016), although her ticket had actually been paid from testimonial funds as had Mr. Gartland's (app. 35a, hearings, p. 996)	280.72
Total erroneous travel charges to testimonial funds	1,186.92
Total political expenses paid from testimonial funds	110,663.26

Schedule 4 to app. C—List of personal expenses paid from testimonial funds

	Amount
American Express (app. 35, hearings, p. 993): "Membership renewal dues for year ending Sept. 30, 1965, Thomas J. Dodd"	$10.00
Essex House (app. 35, hearings, p. 993): "Room (1 day), restaurant and telephone service, Nov. 28–29, 1963, Christopher Dodd"	45.50
Galt Ocean Mile Hotel (app 35, hearings, p. 994): "Room (7 days), telephone and miscellaneous service, May 23–29, 1964, Senator and Mrs. Thomas J. Dodd"	96.67
Magovern Co. (app. 35, hearings, p. 994): "Miscellaneous personal expense" (the purpose of this expense is not given)	260.31

American Airlines (app. 35a, hearings, p. 995–997): The following items would appear to be personal in nature; however, the actual reason for the expenditures is not given:

Billing date	Passenger	Routing	Fare
Hearings, p. 995:			
July 23, 1963, billing	Thomas J. Dodd, Jr.	Washington to Chicago	$35.65
Do	do	Washington to Tampa to Washington	136.08
Do	Thomas J. Dodd	do	136.08
Do	Thomas J. Dodd, Jr.	Washington to Chicago to Washington	91.77
Aug. 21, 1963, billing	Martha Dodd	Washington to New London to Washington	54.34
Do	Thomas J. Dodd, Jr.	Washington to Asheville to Washington	68.36
Do	Thomas J. Dodd	Washington to Miami to Washington	112.77
Do	Thomas J. Dodd and Nicholas	Washington to Asheville to Washington	102.59
Do	Martha Dodd	Credit, Washington to New London	(25.20)
Sept. 23, 1963, billing	Thomas J. Dodd, Jr.	Washington to New London	25.46
Hearings, p. 996:			
Nov. 15, 1963, billing	Large dog kennel	do	15.00
	Pet dog	do	6.24
Jan. 3, 1964	Christopher Dodd	Washington to New York to Providence	29.77
Hearings, p. 997:			
May 22, 1964	Mrs. Dodd	Washington to Miami	78.12
Do	Thomas J. Dodd	Baltimore to Miami	83.53
May 26, 1964	Thomas J. Dodd (2 fares)	Miami to Washington	156.24
July 16, 1964	Nicholas Dodd	Hartford to Detroit to Hartford	84.95
Total, American Airlines			[1] 1,132.00

	Amount
Gulf Oil Co. (app. 35b, hearings, p. 998)	$179.38
Humble Oil & Refining Co. (app. 35c, hearings, p. 998)	118.75

Statler Hilton Hotel (app. 35e, hearings, pp. 999–1000): the following items would appear to be personal in nature; however, the actual reason for the expenditures is not given:

Date and service	Guest	Amount
Oct. 10–12, 1963: Rooms (2 days), restaurant, valet, and telephone service	Thomas J. and Mrs. Dodd	$171.86
Oct. 11, 1963: Restaurant service	do	3.53
Apr. 18–19, 1964: Rooms (1 day), restaurant and telephone service	Senator and Mrs. T. J. Dodd	59.90
Feb. 13–14, 1965: Rooms (1 day) and telephone service	Jeremy M. Dodd	46.54
Total, Statler Hilton charges		281.83
Texaco, Inc., hearings, (app. 35g., p. 1002)		263.10
Total, personal expenses		2,387.54

In addition to the foregoing listed expenses which on their face appear to be personal, there are a number of expenses, mostly for restaurant charges, which could either be campaign, political, or personal in nature. It is estimated that no more than 50 percent of these were personal expenses. They are as follows:

	Amount
American Express (app. 35, hearings, p. 993): "Washington, D.C., restaurant charges, Thomas J. Dodd, Sept. 23, 1963"	$51.93
Congressional Country Club (app. 35, hearings, p. 993): Various house charges	221.75
Frank's Restaurant (app. 35, hearings, p. 994): "Miscellaneous entertainment charge"	19.68
Hearthstone (restaurant) (app. 35, hearings, p. 994): "Miscellaneous entertainment expense"	12.80
Schneider's Liquor Store (app. 35, hearings, p. 994): "Payments of January, May, and August 1964 for liquor"	450.10
Senate Restaurant (app. 35, hearings, p. 995): "Payments of February, May, July, August, and September 1964 for restaurant charges"	1,312.88
American Airlines (app. 35a, hearings, p. 997):	
June 19, 1964: "Mrs. T. Dodd (2 fares), Washington to New London"	38.92
June 23, 1964: "Grace M. Dodd, New York City to Washington, shuttle"	16.00
Total	2,124.06
50 percent of total	1,062.03
Grand total of personal expenses	3,449.57

[1] This figure does not include $1,505.90 for American Airlines billings prior to July 23, 1963. The entry appears in app. 35, hearings, p. 995, with no passenger or routing shown. Although these bills were not claimed as campaign expenses (hearings, p. 1019), this fact does not mean that they were not political expenses for trips between Washington and Connecticut. The amount is excluded here because there is simply no information on which to conclude that it was personal in nature.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. CLARK. Mr. President, I thank my friend from Connecticut for yielding.

I would merely like to request the RECORD to note that the quorum clerk advises me that my name was not listed as present on the last rollcall, and the *majority leader* was not listed as present on the last rollcall. We were both here and in our seats before the Senator from Connecticut began to speak.

Mr. MANSFIELD. Mr. President, I ask unanimous consent, if the Senator will yield, that the Senator from Connecticut [Mr. DODD], be recognized at the conclusion of the call of the quorum tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it stand in recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Connecticut has the floor.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. DODD. Mr. President——

Mr. DIRKSEN. Only for the purpose of letting the Senator from Connecticut know that if we have a live quorum tomorrow morning, there should be 95 Senators here. The reason that four of them will not be here is that they are in the hospital, and the other one I cannot account for at the moment, but I am sure I shall. So I want to make that clear, that four are in the hospital at the present time.

Mr. DODD. Mr. President, let me say to the minority leader, I do not want to be put in a difficult position here. I am not complaining about absentees; I know how it happens; it often happens to me.

On the other hand, I am torn by the desire to have as many Senators hear me as I can possibly have. I am put in a difficult spot, which I wish I were not in. The hour is late, and I am as tired as anybody, I suppose. I imagine many other Senators are as well. I would appreciate it if we could go over until tomorrow morning.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. MORSE. I wish to say, Mr. President, that I think the request of the Senator from Connecticut is a very reasonable request. I know my majority leader and the minority leader recognize that, and have already made it perfectly clear. In fact, a request has been made that there be a recess until tomorrow.

But I wish to make this comment, bearing upon what the Senator from Utah has said. I was notified that the Senator from Connecticut was about to speak, and I came over immediately. I was here as much as I could be during the day, hearing the Senator from Mississippi. I could not be present to hear the Senator from Utah. But I want the RECORD to be perfectly clear that the senior Senator from Oregon is not going to remain on the floor of the Senate during the course of these hearings when his duties require him to be elsewhere, for I am not a nonreader. As the Senator from Utah [Mr. Moss] has pointed out, we can read, and I will give to the Senator from Connecticut every moment of time I can give, consistent with my duties. Because I am not here does not mean I cannot sit as a juror on the basis of the record that is made, and I want to say right here and now that I am one Senator who protests the idea that if he is not on the floor of the Senate every moment of these hearings, he is not carrying out his duty in the Senate.

Each of us must be the judge of where he ought to be in order to carry out his duties. I want the Senator from Connecticut, the Senator from Mississippi, and the committee to know that I am going to read every word, but I intend to be the judge of where I am going to be at any time, may I say to the Senator from Louisiana, in carrying out my duties. I will be my own judge, and the Senator from Louisiana can be his own judge as to what his duties are.

Mr. MANSFIELD. Mr. President——

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DODD. Yes. Mr. President, I just hope I do not get caught in this crossfire. I could not be in a more unfortunate situation. Here I am, trying to get votes, and being shot at from both sides.

Mr. MANSFIELD. Mr. President, if the Senator will yield the floor——

Mr. DODD. I yield.

Mr. MANSFIELD. There will be no further debate on this resolution tonight; but at the conclusion of the rollcall tomorrow morning, I ask unanimous consent that the distinguished Senator from Connecticut be recognized.

The PRESIDING OFFICER. It has already been so ordered.

ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent, now that the Senate has concluded its consideration of Senate Resolution 112 for the day, that there be a brief period for the transaction of routine business under unanimous-consent procedure.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Jones, one of his secretaries.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

MORE EFFECTIVE REGULATION UNDER FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, to provide for more effective regulation under such act, and for other purposes (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT ON MEASURES TAKEN TO DEAL WITH THE SUPPLY OF OIL POSED BY THE SITUATION IN THE MIDDLE EAST

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, on measures to place the Government in a position to deal with problems of supply of oil posed by the situation in the Middle East (with an accompanying paper); to the Committee on Banking and Currency.

REPORT OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on need for strengthened procedures to reduce the number of extra final inspections on newly constructed houses, Federal Housing Administration, Department of Housing and Urban Development, dated June 1967 (with an accompanying report); to the Committee on Government Operations.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MANSFIELD (for Mr. FULBRIGHT), from the Committee on Foreign Relations, with an amendment:

S. 990. A bill to establish a U.S. Committee on Human Rights to prepare for participation by the United States in the observance of the year 1968 as International Human Rights Year, and for other purposes; (Rept. No. 344).

BILL INTRODUCED

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TYDINGS (for himself, Mr. MORSE, and Mr. SPONG):

S. 1941. A bill to prevent, abate and control air pollution in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

(See the remarks of Mr. TYDINGS when he introduced the above bill, which appear under a separate heading.)

INTRODUCTION OF THE DISTRICT OF COLUMBIA AIR POLLUTION CONTROL ACT OF 1967

Mr. TYDINGS. Mr. President, on behalf of myself, and Senators MORSE and SPONG, I introduce, for appropriate reference, a bill to establish effective machinery for the control of air pollution in the District of Columbia. Earlier this year, joint hearings on problems of air pollution in the District of Columbia were conducted by two subcommittees of the Senate District of Columbia Committee—the Subcommittee on Public Health, Education, Welfare, and Safety, chaired by

the distinguished senior Senator from Oregon [Mr. MORSE] and the Subcommittee on Business and Commerce, which I have the privilege to chair. Senator SPONG, of Virginia, a member of the full committee, participated actively in these hearings because of the importance of these problems to his constituents, as well as his interest in problems of the District of Columbia generally, I believe that these extensive hearings brought together a compendium of information on metropolitan area air pollution problems, and have general relevance to metropolitan areas nationally.

Regarding the District of Columbia, two conclusions clearly emerged from these hearings. First, air pollution in the District of Columbia metropolitan area is at a level which significantly endangers the health of our citizens, and adds greatly and unnecessarily to the expense of commercial and governmental activity in the area. Second, the existing machinery in the District of Columbia government for control of air pollution is hopelessly ineffective. The present air pollution control laws and regulations are based on the old-fashioned, discredited notion that visible air pollution—that is smoke—is the only form of pollution that needs control. The view seems to be "if you can't see it, it can't hurt you." This view is totally fallacious. In addition, the enforcement machinery for these outmoded laws is an administrative nightmare. Four different agencies of the District Government have some enforcement or smoke control responsibilities—the Departments of Health, of Licenses and Inspection, of Police, and of Sanitary Engineering. There is no single agency which is charged with overall control of air pollution in the District. There is no single agency to which a citizen can bring his complaints and expect satisfaction. As a result, pollution control has been a matter of the lowest priority in the city government.

This situation must change. The major sources of air pollution must be immediately brought under control. As a vital first step, strong, centralized administrative machinery must be created with powers to investigate causes and sources of air pollution in whatever form—whether particulate or gaseous—in the District of Columbia, to adopt binding regulations to control such air pollution, and to enforce these regulations. That is the essential purpose of this bill. It would create a District of Columbia Air Pollution Control Board, possessing these powers, composed of three members appointed by the Commissioners for 4-year terms. In carrying out its functions under the act, the Board would be advised by an Air Pollution Control Advisory Council, composed of seven members with experience in engineering, health, manufacturing, and commercial aspects of air pollution control.

This bill calls for the same kind of strong air pollution control agency which the Maryland State Legislature has, during its last session, created for my home State. The Maryland law is, in essential respects, the model for this bill. The bill does not impose particular air pollution control regulations for the District. It does not in itself set, for example, specific limitations on sulfur emissions or impose specific requirements for incinerator control devices. Rather, the bill gives full authority to the Air Pollution Control Board to adopt such standards by regulations. The Board could, for example, adopt all the standards proposed by the Metropolitan Washington Council of Governments in its model air pollution control ordinance, or it could, of course, vary some.

I believe that Congress would be better advised to control air pollution in the District of Columbia by creating an independent agency with all the necessary tools of regulation and enforcement, rather than adopting itself detailed pollution control regulations. Administrative flexibility is essential for a workable air pollution control program. Technology in this area is rapidly progressing. If the Congress were to enact particular pollution control standards today, it is likely that these standards would be outdated and inadequate within a brief time. When change in air pollution standards becomes necessary, congressional action should not be required.

It should be noted that the Air Pollution Control Board created by this bill is an independent administrative agency. The regulations which it promulgates will not require approval of the District Commissioners or any other executive agency of the District government. Particularly in view of the lackadaisical attitude which the District government has shown in the past regarding air pollution control, I believe that this administrative independence of the Air Pollution Control Board is vitally necessary to insure that it will do the job.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1941) to prevent, abate, and control air pollution in the District of Columbia, and for other purposes, introduced by Mr. TYDINGS (for himself, Mr. MORSE, and Mr. SPONG), was received, read twice by its title, and referred to the Committee on the District of Columbia.

Mr. SPONG. Mr. President, I welcome the opportunity to cosponsor legislation which would create an Air Pollution Control Board of the District of Columbia to prevent, control, and abate air pollution in the District.

As a member of the Subcommittee on Air and Water Pollution of the Public Works Committee, I have gained a particular awareness of the increasing dangers of air pollution. Furthermore, as a member of the Committee on the District of Columbia and a participant in the March hearings on air pollution in the metropolitan area as well as the representative of a State which is contiguous to the District, I have a special interest in air pollution abatement in this area.

I believe enactment of the proposed legislation would be a major step forward in our battle to prevent and control the emission of chemical impurities into the atmosphere.

In the District, pollution control and abatement activities are currently divided among a number of agencies, with a resulting fragmentation of responsibility. Establishment of a board would eliminate this fragmentation.

Air contaminants—whether stationary or mobile—come from a number of sources, each of which requires a special technical knowledge for handling. Only a full-time, coordinated, professional staff, such as could be organized under the proposed board, can deal effectively with the multiple sources of air pollutants.

In addition, the proposed legislation would serve not only the more than 800,000 residents of the District, but all the 2.5 million persons who live in the Washington area.

Residents of the city and suburbs daily cross political boundaries—for work, shopping, and recreational purposes. And, air currents themselves move from section to section, carrying whatever pollutants they may have with them.

Virginia and Maryland have already established air pollution control boards to deal with air contamination. Creation of a District Board would provide the setting for future cooperation among the three main political entities in the Washington metropolitan area in meeting mutual problems.

At a time when the Federal Government is taking an increased interest in air pollution in urban centers throughout the country, it is appropriate that efforts be made to turn the capital area into a model for other municipal areas.

We should begin immediately to work toward that goal.

AMENDMENT OF PUBLIC LAW 89–491—AMENDMENT

AMENDMENT NO. 209

Mr. CLARK submitted an amendment, intended to be proposed by him, to the bill (S. 1574) to amend the act of July 4, 1966 (Public Law 89–491), which was referred to the Committee on the Judiciary and ordered to be printed.

ADDITIONAL COSPONSORS OF BILLS

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Senator from Wisconsin [Mr. NELSON], I ask unanimous consent to have the following names added as additional consponsors at the next printing of S. 1567: Mr. BAYH, Mr. BURDICK, Mr. HARRIS, Mr. LONG of Missouri, Mr. MCGOVERN, Mr. MILLER, Mr. YARBOROUGH, and Mr. PROXMIRE.

The PRESIDING OFFICER. Without objection, it is so orderd.

Mr. NELSON. Mr. President, I ask unanimous consent that the name of the Senator from North Dakota [Mr. BURDICK] be added as a cosponsor of Senate bill 682, the River and Stream Erosion Control Act, at the bill's next printing.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I ask unanimous consent that the name of the Senator from North Dakota [Mr. BURDICK] be added as a cosponsor of S. 1006, the Roadbank Erosion Control Act, at the bill's next printing.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I ask unanimous consent that the names of the Senator from Indiana [Mr. BAYH], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from South Dakota [Mr. MCGOVERN], and the Senator from Wisconsin [Mr. PROXMIRE] be added as cosponsors of S. 1561, the dairy parity program, at the bill's next printing.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I ask unanimous consent that the names of the Senator from Montana [Mr. METCALF] and the Senator from Minnesota [Mr. MONDALE] be added as cosponsors of S. 1856, to amend the Tariff Schedules of the United States with respect to the rate of duty on whole skins of mink, whether or not dressed, at the bill's next printing.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE OF RESCHEDULING OF HEARINGS ON NATIONAL FLOOD INSURANCE LEGISLATION

Mr. WILLIAMS of New Jersey. Mr. President, I would like to announce that hearings by the Subcommittee on Securities of the Committee on Banking and Currency on S. 1290, a bill to provide for a national program of flood insurance, scheduled to begin on Tuesday, June 27, and continue through Thursday, June 29, have now been rescheduled to begin on Monday, June 26, and continue through Wednesday, June 28. The subcommittee also plans to receive testimony on S. 1797, and any other proposals to establish a program of national flood insurance that may be pending before the subcommittee at that time.

The hearings will commence at 10 a.m. in room 4232, New Senate Office Building, instead of room 5302, as we previously announced.

Persons desiring to testify or to submit written statements in connection with this bill should notify Mr. Paul M. Penick, assistant counsel, Senate Committee on Banking and Currency, room 5300, New Senate Office Building, Washington, D.C. 20510, telephone 225–3921.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. SMATHERS:

Address delivered by Senator MAGNUSON, in Bermuda, to representative group of financiers from New York City and surrounding areas.

ECONOMIC INEQUITIES

Mr. PROUTY. Mr. President, Mr. William D. Pardridge, of Linden, Va., has written numerous articles on the subject of "economic inequities."

For some years now, Mr. Pardridge has been working quite diligently on this subject, and the results of his study and research, I understand, will be assembled in a book which he intends to have published.

The Burlington, Vt., Free Press, on May 13, 1967, printed an article entitled "Crisis in Our Economy," written by Mr. William D. Pardridge.

I have found this article to be of considerable interest, and I want to share it with Senators and others of the American people who read the CONGRESSIONAL RECORD. This is not the first of Mr. Pardridge's articles on this subject, and it will probably not be the last, but it is equally important for our consideration with all the others.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CRISIS IN OUR ECONOMY

Congress recently gave the White House $12 billion to fight in Vietnam for another three months or so, anyway to the end of the 1967 fiscal year.

This is at an annual rate of $41 billion over and above all other civil and military expenses of the government. And the war is constantly getting more expensive than any annual rate of the moment.

Such an astronomical appropriation of real economic wealth out of, away from, the American economy means in concrete terms that our standard of living is to be reduced markedly.

In monetary terms, it means either higher taxes for everyone or higher prices for everyone.

Or both.

Mostly both—until wages and prices are frozen, and profits are taxed away completely.

How else can the recurring $41 billion and even more be found? It can't, because war money, as opposed to internal, domestic monetary shenanigans, isn't money—it's real, real goods.

This is one reason the business-expansion tax credit is being restored—not to quicken business activity in the hard face of a recession but to start the ball rolling again for industrial activity.

When the handwriting is all on the wall, Congress itself will actually raise the President's six percent tax surcharge. Economists and businessmen have been using the wrong crystal balls.

The economic way to fight inflation is to pour more real goods into the economy—not to take money out of the economy. That latter way is an illusion and a shell game.

The hitch, the booby-trap here is that the government is emphasizing the wrong kinds of goods. War-goods production aggravates inflation because economic resources and labor are used to produce non-economic goods.

Inflation caused by increased war production along with decreased civilian production cannot be halted except by rigid wage-price controls.

Now, it is plain to see that such a situation can only reduce our standard of living. Let us say our total production is the same in dollars, in money value, but we have fewer kitchen stoves and more cannon balls. The Gross National Product figures in dollars remain the same, however, and everybody is hoodwinked.

One of the basic ills of American economic thought is the over-worked emphasis on money—monetary and fiscal affairs—and the almost total neglect of economic analysis in terms of the kinds of goods and services an economy must produce in order to generate its own economic feedback.

A decreasing per cent of goods workers cannot support itself plus an increasing per cent of service workers when the difference between the two widens faster than the rate of industrial productivity. This is simple arithmetic.

And remember, defense workers' production and all military personnel are not in the goods economy. They are in the service sector of the economy that produces no economic feedback.

The Vietnam economy does not even attempt to feed itself with machine tools and other productive economic wealth. Only a few economies in the world attempt this. If the American economy does not feed its own industrial appetite, it's finished. There is no other large economy from which to draw excess real wealth.

How come, then, we are eating our industrial seed corn? Just how long can we live on pure economic flim-flam? Not long.

Economists in both the Federal Reserve System and the President's Council of Economic Advisers are wittingly and unwittingly distorting the balanced forces of natural economic production. They are inviting and urging non-productive service workers to overrun the whole economy.

Main Street delusions and Dow-Jones averages are now supported solely by the paper paychecks of service-worker emphasis.

Individuals go to jail for kiting checks, but what happens to government and academic moguls who kite the producing forces of our national economy? Books are written about them, is all.

The home-front economics of a modern war has nothing whatsoever to do with the moral and strategic justifications of that war. Nobody can say the economic sacrifices of World War II were not worth the reason of total American participation.

The economic cost of all-out war in Southeast Asia, and that is where we're headed for sure, is simply a factor to consider in weighing the values of whatever ends are advertised as cause for national motivation.

Economic analysts would be derelict if they did not bring a readable picture of this cost into the open.

An economic collapse or severe recession due to a needless goods-service worker imbalance, coupled with two more summers of race riots, and that's simply what they are, both alongside total Asiatic military involvement, all together would destroy completely this nation's traditional political theory.

Something has to go, and go fast—the service workers and second-generation dolesters, the race riots, or the Vietnamese. You pay your money and you take your choice. Mister, you can't have 'em all.

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of the Calendar with Calendar Order No. 297 and that the remainder of the Calendar be considered in sequence.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUREX CORP.

The bill (H.R. 4445) for the relief of Aurex Corp. was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report

(No. 306), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to pay the Aurex Corp. $172,550, as recommended by the U.S. Court of Claims in congressional reference case No. 12–58, decided April 15, 1966.

STATEMENT

The facts of the case are contained in House Report No. 62 and are as follows:

The claim of the Aurex Corp. was the subject of the bill, H.R. 3677, introduced in the 85th Congress. On July 29, 1958, the House of Representatives passed House Resolution 630, which referred the bill to the Court of Claims for further proceedings as a congressional reference case in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code. That court proceeded to consider the case and reported its findings and conclusions to the Congress in its opinion and commissioner's findings of fact, which are set out in full in this report.

The Aurex Corp. in its petition to the Court of Claims claimed that it had suffered injury as the result of an excess profits determination under a renegotiation proceeding following World War II. The opinion of the court outlines the facts concerning this proceeding and concluded that the corporation was equitably entitled to payment in the amount stated in the bill. The court, on page 8 of the opinion, referred to the fact that there was a failure to accord sufficient credit for Aurex' contribution to the war effort. In this connection, the court stated:

"The flaw in the renegotiation was the failure to accord a sufficient credit for Aurex's contribution to the war effort—a factor which was expressly made significant by the statute and the regulations. The Chairman of the board indicated that it had allowed $150,000 on this account, but the commissioner rightly found that, though there was discussion of this sum, it was never actually applied to reduce the excessive profits otherwise determined. If that credit had been applied as it should, the gross amount of the renegotiation liability would have been $90,000 (instead of $240,000) and the net due after tax adjustments would have been about $36,500 (instead of $114,118.07)."

The court then took this error as the basis for its finding in favor of the Aurex Corp. and stated:

"The proper basis of recovery, as the commissioner recommended, is to reinstate the credit of $150,000 which the board said it would grant but never did. If that sum, covering both plaintiff's direct contribution to the war effort and the risks to its civilian business through focusing on solenoid production, had been taken into account, Aurex would have been permitted to retain overall profits of some $375,000 for the renegotiable period (instead of profits of $225,000 under the board's action). When compared to the pre-war work profit of $144,000 in 1944, this annual rate of over $300,000 appears to allow an adequate amount for the risks of undertaking war contracts and for Aurex' contribution to the war effort. At the same time, the corrected gross renegotiation liability of $90,000 is only $20,000 more than the tentative obligation fixed by the board's representative in June 1946 which the company was willing to accept—and the net liability of $36,000 (after tax credits) would have been only $8,500 more than the $28,000 of net liability under the representative's acceptable determination. It is a fair inference that, if plaintiff's liability had been properly established in 1946 or 1947 at $90,000 (gross) or $36,500 (net), it could and would have paid that amount—and could not rightfully complain. The net improvement in the Aurex financial position (see findings 56, 64) would have been about $121,000 (consisting of a reduction of some $77,500 in liabilities and an increase of about $43,500 in cash from additional tax refunds).

"This $121,000 should now be restored to plaintiff. By such a payment, at least the financial basis for the additional credit of which the company was deprived in 1946 would now be replaced. There is the further problem of the delay in payment since 1946. The commissioner concluded that delay-compensation should be made for the $43,500 of extra tax refunds which Aurex would have received in cash if its renegotiation liability had been properly fixed,[1] but that such recompense would not be warranted for the $77,500 of excessive liability imposed on the company in 1947 which it never paid but which, for about four years, impaired its credit. We agree. The part of the award standing in place of the tax refunds should bear interest like other tax refunds. But even in this equitable proceeding there is inadequate ground for departing from the usual rule in this court against interest on nontax and noneminent domain awards against the Government (*United States* v. *Thayer-West Point Hotel Co.*, 329 U.S. 585 (1947)), and for allowing delay-compensation for a sum which the plaintiff would not have had in cash but only in reduced liabilities.

"Accordingly, we recommend to the Congress that plaintiff be paid the sum of $172,550 ($121,000 plus $51,550 for delay in payment) on its equitable claim."

The bill contains a limitation of 20 percent upon attorneys fees. In view of the extended court proceeding in this matter, the committee has determined that this is a proper limitation.

In view of the facts of the matter and the recommendation of the Court of Claims, the committee concurs in the recommendation of the House Judiciary Committee that the bill, H.R. 4445, be considered favorably.

Attached hereto and made a part hereof are the opinion of the court and the findings of the commissioner in the case.

[1] At 6 percent, this amounted to about $47,000 as of September 1964, and will amount to about $51,500 by June 1, 1966.

OBSTRUCTION OF CRIMINAL INVESTIGATIONS

The bill (S. 676) to amend chapter 73, title 18, United States Code, to prohibit the obstruction of criminal investigations of the United States was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 676

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 73, title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1510. Obstruction of criminal investigations

"(a) Whoever willfully endeavors by means of bribery, misrepresentation, intimidation, or force or threats thereof to obstruct, delay, or prevent the communication of information relating to a violation of any criminal statute of the United States by any person to a criminal investigator; or

"Whoever injures any person in his person or property on account of the giving by such person or by any other person of any such information to any criminal investigator—

"Shall be fined not more than $5,000, or imprisoned not more than five years, or both.

"(b) As used in this section, the term 'criminal investigator' means any individual duly authorized by a department, agency, or armed force of the United States to conduct or engage in investigations of or prosecutions for violations of the criminal laws of the United States."

(b) The chapter analysis of chapter 73, title 18, United States Code, is amended by adding at the end thereof the following new item:

"1510. Obstruction of criminal investigations."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 307), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the proposed legislation is to amend chapter 73 of title 18, United States Code (relating to obstruction of the administration of justice), by adding a new section prohibiting the obstruction of Federal criminal investigations. Sections 1503 and 1505 of chapter 73, title 18, presently prohibit attempts to influence, intimidate, impede, or injure a witness or juror in a judicial proceeding, a proceeding before a Federal agency, or an inquiry or investigation by either House of the Congress or a congressional committee. However, attempts to obstruct a criminal investigation or inquiry before a proceeding has been initiated are not within the proscription of those sections. The proposed legislation would remedy that deficiency by providing severe penalties for attempting to obstruct the communication to a Federal criminal investigator of information relating to a violation of a Federal criminal law, thus extending to informants and potential witnesses the protections now afforded witnesses and jurors in judicial, administrative, and congressional proceedings.

ANALYSIS OF THE BILL'S PROVISIONS

Subsection (a) of the bill would amend chapter 73 of title 18, United States Code, by adding a new section (sec. 1510) at the end thereof.

Subsection (a) of the new section 1510 would prohibit willful attempts, by means of bribery, misrepresentation, intimidation, or force or threats of force, to obstruct, delay, or prevent the communication to a Federal criminal investigator of information relating to a violation of a Federal criminal law. The subsection would also prohibit injuring any person in his person or property on account of his communicating such information to a criminal investigator or on account of such communication of information by any other person (a relative or friend, for example). Both proscriptions would apply to protect the communication of information to a Federal criminal investigator at any time from the commission of a criminal violation or conspiracy until the institution of judicial proceedings within the meaning of sections 1503 and 1505. The penalty provided for a violation of the section is a fine of up to $5,000 or imprisonment for up to 5 years, or both.

Subsection (b) of the new section 1510 defines "criminal investigator" to include any person authorized by a department, agency, or armed force of the United States to investigate or prosecute violations of Federal criminal laws. This includes Federal prosecuting attorneys as well as Federal criminal investigators, within the group of persons to whom the communication of information is protected.

Subsection (b) of the bill would make the necessary technical amendment to the chapter analysis of chapter 73 of title 18, United States Code.

STATEMENT

A similar bill, S. 2188 of the 89th Congress, was approved by this committee, with amendments, and favorably reported to the Senate on August 24, 1966 (Rept. No. 1499). The bill, as reported, was passed by the Senate on August 26, 1966, and sent to the House of Representatives where it was referred to the Committee on the Judiciary. No further action was taken on the bill in the House of Representatives during the 89th Congress.

The present bill, S. 676, is identical to S. 2188 as it was approved by this committee and passed by the Senate during the 89th Congress.

In its favorable report on S. 2188 this committee set forth the need for the legislation and the committee's recommendations as follows:

S. 2188 was introduced in accordance with the recommendations of the Department of Justice. Its purpose, according to Attorney General Katzenbach, who presented the Department's views to the subcommittee, is to "dam a gaping hole in the protection the Government can now provide to its own witnesses"—a hole resulting from the fact that it is "not now a Federal crime to intimidate, harass, or attack a witness who has divulged information to Federal investigators, but before a case reaches court" (p. 30).[1]

As the Attorney General and other witnesses emphasized, the deficiency in the law which S. 2188 would remedy has resulted from the strict construction the courts have given the present Federal statutes prohibiting the obstruction of the administration of justice. Section 1503 of title 18, United States Code, prohibits attempts to influence or injure an officer, juror, or witness in a judicial proceeding; and section 1505 prohibits attempts to influence or injure witnesses before Federal agencies and congressional inquiries. However, being criminal statutes, these provisions must be strictly construed, *Haili* v. *United States*, 260 F. 2d 744 (9th Cir. 1958); hence, section 1503 has been narrowly construed by some Federal courts so as not to prohibit attempts to obstruct a criminal investigation or inquiry prior to the initiation of judicial proceedings, *United States* v. *Scoratow*, 137 F. Supp. 620 (W. D. Pa. 1956). It is not, therefore, a crime within section 1503 to obstruct a criminal investigation by the Federal Bureau of Investigation where no criminal proceeding has been commenced; and some lower Federal courts have required the issuance of a subpena or other process commanding the appearance of a witness in court for the purpose of giving testimony in order for a criminal charge of obstruction of justice properly to lie.

The anomalous situation resulting is that a premium is placed upon being able to adversely influence a person having knowledge relating to a criminal offense before the judicial machinery is set in motion by the commencement of a criminal action in court. Attorney General Katzenbach told the subcommittee that the Department of Justice could find no justification for this present inconsistency in the law. "The danger to an informant or a witness flows from whether he has talked to the Government," he stressed, "not from whether the case is yet before the court." The Federal Government ought to be able to provide "the same assurances and protections to a person willing to go to the FBI or other Federal agency that it can at a later stage in prosecution" (p. 30).

Mr. Katzenbach particularly stressed in his testimony the difficulty of preparing cases for trial in the field of organized crime when witnesses consistently refuse to cooperate with investigators in the face of threats and other kinds of intimidation directed at them or their families. Indeed, he said, organized crime owes much of its national power and affluence to its ability to impose silence on members and thereby protect both the leaders and the membership. The need for legislation to help break this grip of silence, he said, "is underscored by the dozens of cases of witnesses beaten with baseball bats and tortured with acetylene torches. And for every identifiable case of intimidation or attack, there are many more cases of sudden, unexplained silence" by witnesses or potential witnesses (p. 30).

In a letter from the Department of Justice recommending passage of the bill (which is set forth in full in a later section of this report) it is pointed out that there have been numerous cases in which the murdering or threatening of potential witnesses during an investigation has actually prevented the initiation of proceedings on the matter being investigated. This frustration of criminal investigations and prosecutions is surely inimical to our system of justice; but, since no statute presently protects witnesses during the investigative stage of criminal cases, the Government has been unable to take any punitive action. Passage of S. 2188, Mr. Katzenbach said, would assure that this situation can be "quickly and surely rectified" (p. 30).

Assistant Treasury Secretary David C. Acheson testified that the Treasury Department, as well as the Justice Department, sees important advantages in punishing interferences with the communication of information to criminal investigators without regard to the pendency of formal court proceedings. The cases are many in which potential witnesses against criminal subjects have disappeared, died, or changed their stories during an investigation, he said, particularly in the field of organized crime (p. 57):

"Organized crime cases present special risks of intimidation before the matter becomes one of judicial cognizance. Organized crime figures commonly employ subterfuge and secrecy. The development of cases against them often involves a protracted investigation before sufficient information is gathered to commence a prosecution. The risk that potential witnesses will be identified and silenced during such extended investigations is substantially greater than in the typical brief police investigation."

With the suggestion that the bill be amended so as to include prosecuting attorneys within the group to whom the communication of information is protected, Mr. Acheson told the subcommittee that the Treasury Department strongly urges enactment of the bill (p. 58).

In addition to Mr. Katzenbach and Mr. Acheson, every other law enforcement official who testified before the subcommittee strongly supported the proposed legislation. Included were the Honorable J. Joseph Nugent, attorney general of the State of Rhode Island and chairman of the Criminal Law Committee of the Association of State Attorneys General (pp. 96–109); the Honorable Robert Matthews, attorney general of the Commonwealth of Kentucky (pp. 137–149); William M. Lombard, chief of police of Rochester, N.Y. (pp. 123–137); Gerald M. Monahan, chief of police of Allentown, Pa. (pp. 109–119); and Mr. Charles Siragusa, former Deputy Commissioner of the Federal Bureau of Narcotics and present executive director of the Illinois Crime Commission (pp. 210–220).

Many of the State and local law enforcement officials who commented on the bill, either orally before the subcommittee or in written statements submitted for possible inclusion in the record, recommended extending the coverage of the bill to witnesses who give information to State officials relating to violations of Federal law. The committee is of the opinion, however, that it would be unwise to extend the bill's coverage in this respect. It is felt that the protection of witnesses who give information to State investigators would more properly be accomplished under State law, and it is hoped that enactment of S. 2188 will give guidance to the States in the enactment of similar legislation. Moreover, the Department of Justice, in commenting on this point, has taken the position that extending Federal coverage to non-Federal investigations would possibly impose upon Federal investigative agencies an additional heavy burden for which no need has yet been demonstrated.

In this regard, John B. Layton, Chief of Police, Washington, D.C., recommended extending the bill's coverage to protect witnesses who give information about violations of Federal law to the Metropolitan Police of the District of Columbia. The committee agrees with the Department of Justice that a sufficient need for such an extension of coverage has not been demonstrated, and that, if such a need is demonstrated, coverage should be accomplished by appropriately amending the District of Columbia Code.

The comments of the Department of Justice on these suggestions for extending the coverage of the bill are included in a letter from Attorney General Katzenbach which is set forth in full at a later point in this report.

Only one witness testified in opposition to the bill, and the committee is of the opinion that his opposition reflected a misunderstanding or misstatement of the purpose and effect of the bill. The witness expressed the fear that the bill would vest in Government investigators a weapon which could be used to intimidate or harass potential witnesses by unjustly accusing them of obstructing or impeding criminal investigations by giving false or misleading information about criminal violations. However, this objection misses the point that the sole purpose of the bill is to protect informants and potential witnesses against intimidation or injury by third persons designed to prevent or discourage them from talking to Government investigators. The informants or witnesses cannot themselves become subject under this bill to any penalty on account of any information they may furnish to an investigator. Hence, there is no possibility that the legislation could endow a Government investigator with the "power to put the man he is talking to in jail," as the witness suggested (p. 260).[2]

The second point of opposition raised by this witness was that the bill would unwisely penalize persons for threats of coercion unaccompanied by any physical acts. Again, this objection stems from a misunderstanding of the legislation. As introduced, the bill proscribed endeavors to obstruct criminal investigations "by means of bribery, misrepresentation, intimidation, force, or threats thereof." Clearly, the only threat proscribed by this language is a threat of force, since it is difficult to imagine a threat of bribery, misrepresentation, or intimidation. In any event, to preclude a misreading of the provision, the committee has amended the bill to read "bribery, misrepresentation, intimidation, *or force or threats thereof*," in order to make it unavoidably clear that the word "threats" refers only to threats of physical force.

CONCLUSIONS

The committee believes that the proposed legislation, which is identical to the bill (S.

[1] Unless otherwise indicated, page references in parentheses are to the hearings before the Subcommittee on Criminal Laws and Procedures on Mar. 22, 23, and 24, and May 10 and 11, 1966.

[2] The witness repeatedly referred to S. 1665 of the 87th Congress which contained a provision penalizing the willful and knowing communication of false or misleading information to a Government investigator. He did not note, however, that S. 2188 contains no such provisions.

2188) approved by this committee in the second session of the 89th Congress, is meritorious. The proposal strikes at the heart of a serious problem which frequently interferes with, if not thwarts, investigations of violations of Federal criminal laws. The hearings on S. 2188 demonstrated clearly the perils faced by persons having knowledge of criminal activities who are disposed to cooperate with investigators, and the consequent difficulty of preparing criminal cases for trial in the face of bribery attempts or threats of injury directed at potential witnesses or their families. This is especially true in the field of organized crime, the hearings revealed, where a familiar racketeering technique is the use of threats or other methods of intimidation to frighten and terrorize potential witnesses. Testimony before the subcommittee demonstrated further that racketeers do not hesitate to carry out their threats of injury by acts of violence when necessary to enforce the code of silence upon which organized crime chiefly relies to escape detection and prosecution.

Under existing law, potential witnesses willing to cooperate with Federal investigators cannot be protected to the extent that trial witnesses can, since it is not at present a violation of Federal law to attempt to intimidate or injure a person having information about criminal violations prior to the formal institution of judicial proceedings. The proposed legislation would correct this serious deficiency in the law by providing severe penalties for attempts to obstruct justice by interfering with criminal investigations conducted by Federal departments and agencies. Every citizen has an obligation to aid in the enforcement of the criminal laws. In discharging this obligation, persons who supply information to investigators are clearly entitled to the same protection against intimidation or injury that the Government can provide to witnesses and jurors in criminal proceedings. The proposed legislation would empower the Government to provide that protection and would be an effective weapon in combating organized crime.

The committee concludes that S. 676 would constitute a substantial improvement in existing law and recommends that it be considered favorably.

AMENDMENT OF TITLE 18, UNITED STATES CODE

The bill (S. 677) to permit the compelling of testimony with respect to certain crimes, and the granting of immunity in connection therewith was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 677

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1952 of title 18, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) Whenever in the judgment of a United States attorney the testimony of any witness, or the production of books, papers, or other evidence by any witness, in any case or proceeding before any grand jury or court of the United States involving a violation of this section, or any conspiracy to violate this section, is necessary to the public interest, he, upon the approval of the Attorney General or an Assistant Attorney General designated by the Attorney General, shall make application to the court that the witness shall be instructed to testify or produce evidence subject to the provisions of this subsection, and upon order of the court such witness shall not be excused from testifying or from producing books, papers, or other evidence on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. But no such witness shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, nor shall testimony so compelled or evidence so produced be used as evidence in any criminal proceeding (except prosecution described in the next sentence) against him in any court. No witness shall be exempt under this subsection from prosecution for perjury or contempt committed while giving testimony or producing evidence under compulsion as provided in this subsection."

SEC. 2. Section 1503 of title 18, United States Code, is amended by placing "(a)" before the present paragraph and by adding the following new subsection at the end thereof:

"(b) Whenever in the judgment of a United States attorney the testimony of any witness, or the production of books, papers, or other evidence by any witness, in any case or proceeding before any grand jury or court of the United States involving a violation of this section, or any conspiracy to violate this section, is necessary to the public interest, he, upon the approval of the Attorney General or an Assistant Attorney General designated by the Attorney General, shall make application to the court that the witness shall be instructed to testify or produce evidence subject to the provisions of this subsection, and upon order of the court such witness shall not be excused from testifying or from producing books, papers, or other evidence on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. But no such witness shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, nor shall testimony so compelled or evidence so produced be used as evidence in any criminal proceeding (except prosecution described in the next sentence) against him in any court. No witness shall be exempt under this subsection from prosecution for perjury or contempt committed while giving testimony or producing evidence under compulsion as provided in this subsection."

SEC. 3. Chapter 9 of title 18, United States Code, is amended by adding the following new section at the end thereof:

"§ 156. Refusal to testify

"Whenever in the judgment of a United States attorney the testimony of any witness, or the production of books, papers, or other evidence by any witness, in any case or proceeding before any grand jury or court of the United States involving a violation of this chapter, or any conspiracy to violate this chapter, is necessary to the public interest, he, upon the approval of the Attorney General or an Assistant Attorney General designated by the Attorney General, shall make application to the court that the witness shall be instructed to testify or produce evidence subject to the provisions of this section, and upon order of the court such witness shall not be excused from testifying or from producing books, papers, or other evidence on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. But no such witness shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, nor shall testimony so compelled or evidence so produced be used as evidence in any criminal proceeding (except prosecution described in the next sentence) against him in any court. No witness shall be exempt under this section from prosecution for perjury or contempt committed while giving testimony or producing evidence under compulsion as provided in this section."

SEC. 4. Chapter 11 of title 18, United States Code, is amended by adding the following new section at the end thereof:

"§ Refusal to testify

"(a) Whenever in the judgment of a United States attorney the testimony of any witness, or the production of books, papers, or other evidence by any witness, in any case or proceeding before any grand jury or court of the United States involving a violation of this chapter, or any conspiracy to violate this chapter, is necessary to the public interest, he, upon the approval of the Attorney General or an Assistant Attorney General designated by the Attorney General, shall make application to the court that the witness shall be instructed to testify or to produce evidence subject to the provisions of this section, and upon order of the court such witness shall not be excused from testifying or from producing books, papers, or other evidence on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. But no such witness shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, nor shall testimony so compelled or evidence so produced be used as evidence in any criminal proceeding (except prosecution described in the next sentence) against him in any court. No witness shall be exempt under this section from prosecution or perjury or contempt committed while giving testimony or producing evidence under compulsion as provided in this section."

SEC. 5. (a) The analysis of chapter 9 of title 18, United States Code, is amended by adding the following new item at the end thereof:

"156. Refusal to testify."

(b) The analysis of chapter 11 of title 18, United States Code, is amended by adding the following new item at the end thereof:

"225. Refusal to testify."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 308), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to amend sections 1952 (interstate travel in aid of racketeering) and 1503 (obstruction of justice by injury or threat to a witness or juror) and chapters 9 (bankruptcy frauds) and 11 (bribery, graft, and conflicts of interest) of title 18, United States Code, to provide a statutory method for compelling witnesses to testify or produce documentary evidence concerning violations of such sections or chapters, notwithstanding their objection that testimony or evidence might be self-incriminating, by granting them immunity from prosecution for matters or transactions revealed by such testimony or documentary evidence.

PROVISIONS OF THE BILL

Section 1 of the bill would amend section 1952 of title 18, United States Code (which prohibits interstate and foreign travel or transportation in aid of racketeering enterprises), to provide a statutory meth-

od for granting immunity from prosecution to a witness in exchange for testimony or documentary evidence concerning violations of that section. The provision would apply to proceedings before any grand jury or court of the United States. In each case, the witness would be required first to claim his privilege against self-incrimination so that a deliberate decision may be made as to whether an application to the court for a grant of immunity in exchange for the witness' testimony or documentary evidence is necessary to the public interest. Upon application by the U.S. attorney, with the approval of the Attorney General or his designee the court would issue an order directing the witness to testify or produce documentary evidence. The witness could not then be excused from complying with the order on the ground of possible self-incrimination; but he could not thereafter be prosecuted in any court, State or Federal, for matters revealed by such compelled testimony or evidence, nor could it be introduced as evidence in any subsequent criminal proceeding against him in any court. He would not, however, be immune from subsequent prosecution for perjury or contempt of court committed while giving testimony or producing documentary evidence pursuant to the court's order.

Section 2 of the bill would add an identical witness-immunity provision to section 1503 of title 18, United States Code, which prohibits the obstruction of justice by threatening or injuring an officer, juror, or witness in a judicial proceeding.

Section 3 of the bill would add an immunity provision to chapter 9 of title 18, United States Code, relating to bankruptcy frauds.

Section 4 would similarly amend chapter 11 of title 18, United States Code, which relates to bribery, graft, and conflicts of interest.

Section 5 of the bill would make the necessary technical amendments to the analyses of chapters 9 and 11 of title 18, United States Code.

STATEMENT

A similar bill, S. 2190 of the 89th Congress, was approved by this committee, with an amendment in the nature of a substitute, and favorably reported to the Senate on August 24, 1966 (Rept. No. 1498). The bill, as reported, was passed by the Senate on August 26, 1966, and sent to the House of Representatives where it was referred to the Committee on the Judiciary. No further action was taken on the bill in the House during the 89th Congress.

The present bill, S. 677, is identical to S. 2190 as it was approved by this committee and passed by the Senate during the 89th Congress.

In its favorable report on S. 2190 this committee set forth the need for the legislation and the committee's recommendations as follows:

"S. 2190 was introduced in accordance with the recommendations of the Department of Justice. Its enactment will constitute a major step in the implementation of President Johnson's request, in his 1965 message to the Congress on crime and law enforcement, for legislation enabling Federal law enforcement agencies to strengthen and expand their war against organized crime. The bill received the strong support of the President in his March 1966 message to the Congress proposing a national campaign against organized crime. In that message the President said:

" 'Organized crime will stop at nothing to escape detection and prosecution. Torture and murder of witnesses, efforts to bribe prosecutors and jurors—these are not shocking exceptions. They are familiar racketeering techniques.

" 'Such methods not only make it harder to prosecute racketeers, they poison the system of law enforcement itself. They require a strong antidote, and an important one is now pending in both Houses. This legislation would expand the authority of the Department of Justice to immunize hostile but knowledgeable witnesses against prosecution and thereby enable them to testify without incriminating themselves.'

"As the President noted in his message, immunity legislation is by no means a new concept in Federal law. There are currently some 55 Federal statutes on the books authorizing grants of immunity to witnesses before various Federal bodies, principally the regulatory agencies.[1] S. 2190 would extend such authority to an area of law enforcement where it now is critically lacking: the investigation and prosecution of racketeering-type crimes perpetrated on a large scale by multi-State organized crime syndicates, such as the notorious Mafia or Cosa Nostra.

"Testimony before the Subcommittee on Criminal Laws and Procedures, and before other congressional groups investigating crime in recent years, has established clearly that one of the most serious obstacles impeding the Federal Government's war on crime has been the inability to get incriminating evidence against known criminals because of the refusal of knowledgeable witnesses to testify before grand juries and courts. Absent authority to compel such hostile witnesses to testify by granting them immunity from prosecution, they may withhold crucial evidence against other criminal figures by claiming their personal privilege under the fifth amendment against possible self-incrimination.

"The problem is especially acute in the investigation and prosecution of organized crime, the subcommittee was told, for reasons inherent in the way in which such criminal activities typically are carried on. The principal targets in the attack on organized crime are of necessity the top leaders of the syndicates. However, owing to the layer-upon-layer hierarchical organization of the syndicates, the top racketeers are able to direct vast criminal empires without openly engaging in anything illegal themselves and without ever running directly afoul of the law. Consequently, it has been readily apparent in recent years that virtually the only means of obtaining incriminating evidence against these syndicate leaders is through the testimony of minor participants in criminal conspiracies who have valuable knowledge about the organization and its leaders. Understandably, however, these minor racketeers, when apprehended and questioned, refuse to talk. They are inclined to remain silent because of their own involvement and their fear of reprisals, and they are privileged to remain silent because of the fifth amendment's protection against being compelled to give possibly self-incriminating evidence.

"In his testimony before the subcommittee, Attorney General Katzenbach stressed the difficulty encountered by law enforcement officials in trying to trace organized crime through the maze of subordinates to the men who direct it, and explained how the fifth amendment actually assists the rackets in maintaining its protective shield of enforced silence:

" 'Attorney General KATZENBACH. * * * Organized crime operates successfully because of the conspiracy of silence that it has. That is what makes it really difficult to move up the line and get at all save those who are the lower echelon. It makes it very difficult to get the top leaders unless they happen to be careless. They enforce this conspiracy of silence in their own way.

" 'Chairman MCCLELLAN. They enforce it by violence and terror.

" 'Attorney General KATZENBACH. That's correct, Mr. Chairman. It also ties into the privilege against self-incrimination under the fifth amendment. We protect their silence on the one hand and in a sense we are authorizing protection of the people within the organization.' (P. 38.) [2]

"The Attorney General emphasized that much progress has been made in recent years in combating organized crime. He said that legislation such as the comprehensive antiracketeering statutes enacted by the 87th Congress has enabled the Federal Government to develop an effective and accelerating organized crime drive centered in the Department of Justice, utilizing the cooperative efforts of the Federal Bureau of Investigation, the Internal Revenue Service, the Federal Bureau of Narcotics, and other Federal law enforcement and investigative agencies. As one indication of the scope and effectiveness of this organized crime drive, Mr. Katzenbach noted that the number of organized crime indictments secured by the Federal Government rose from 17 in 1960 to 331 in 1964 and to 491 in 1965 (pp. 30–35). He said, however, that a jurisdictional basis for Federal investigation and prosecution of racketeering has proved to be only part of the answer. The problem of how to get evidence to incriminate the top racketeers under the new laws still must be solved. He concluded (p. 38):

" 'I think the simple fact of the matter is that we cannot make progress in fighting organized crime other than by getting the testimony of people who are involved in it. If we want to make real progress I believe it is of very great importance that we turn to the immunity statute * * *. I believe that it is extremely important legislation in terms of combating crime.'

"In his testimony before the 1963 hearings on organized crime held by the permanent Subcommittee on Investigations, then Attorney General Robert F. Kennedy said it was already apparent to him that the new antiracketeering laws, as helpful as they clearly were, could not be fully effective without a means of compelling testimony concerning violations of them. He explained:

" 'Attorney General KENNEDY. The difficulty is that where it goes across State lines these matters involve some of our biggest gangsters and hoodlums in the United States or their lieutenants. It is virtually impossible to obtain testimony from any of those who are directly involved. If they bring in an outside individual, a businessman, a labor leader, or an ordinary citizen, we have found from our experience that he becomes so intimidated that he will also refuse to testify.

" 'So the result is that cases that we realize exist, because of our investigative work, we are not able to present in a court of law because we just do not have the witnesses. If we could obtain an immunity provision * * * so that we could give immunity and require testimony, it would be very helpful in cutting down on the bigtime activities of those involved in organized crime.' [3]

"The views of Attorneys General Katzenbach and Kennedy were echoed by other law enforcement officials who testified before the subcommittee, particularly by the Honorable David C. Acheson, former U.S. Attorney for the District of Columbia and present Special

[1] A list of 55 Federal witness-immunity statutes appears at pp. 35–36 of the Hearings on Organized Crime and Illicit Traffic in Narcotics before the Permanent Subcommittee on Investigations of the Committee on Government Operations, U.S. Senate, 88th Cong., first and second sess., pt. 1. See also 72 Yale L.I. 1568 (1963), app. A, pp. 1611–12.

[2] Unless otherwise indicated, page references in parentheses are to the hearings by the Subcommittee on Criminal Laws and Procedures on Mar. 22, 23, and 24, and May 10 and 11, 1966.

[3] Hearings on Organized Crime and Illicit Traffic in Narcotics, op. cit., note 1 above, p. 18.

Assistant to the Secretary for Enforcement, Department of the Treasury. Mr. Acheson indicated that his experience in the Justice Department and the Treasury Department had firmly convinced him that immunity grants in appropriate cases could be a valuable aid in law enforcement. He said he personally would favor a general Federal immunity statute applicable to all criminal violations without limitation to particular crimes. However, pending enactment of such general immunity legislation, he would, he said, strongly advocate the addition of immunity provisions to the four criminal statutes to which S. 2190 refers. He noted that the Treasury Department's Bureau of Narcotics has had experience with immunity grants under the provision of 18 U.S.C. 1406, which authorizes such grants in connection with certain narcotic and marihuana offenses. He concluded (p. 58):

" 'We have found that grants of immunity to carefully selected individuals can be an extremely helpful tool in penetrating multiparty criminal transactions. Based on our experience, we believe that immunity provisions, subject in every case to procedures like those in S. 2190 as a safeguard against improper use, would be helpful to Federal enforcement efforts.'

"Additional firm support for increased Federal witness-immunity authority came from all of the State and local law enforcement officials who testified before the subcommittee. J. Joseph Nugent, attorney general of the State of Rhode Island, told the subcommittee that he had found certain of his State's immunity statutes to be very helpful, and concluded that Federal immunity legislation was, in his opinion, 'a very good idea.' 'I believe that this bill is a step in the right direction,' he said, 'and I think it may help to solve, by its enactment, otherwise unsolvable criminal acts' (p. 107).

"Robert F. Matthews, the attorney general of the Commonwealth of Kentucky, shared Attorney General Nugent's views:

" 'Attorney General MATTHEWS. * * * The authority to grant immunity to witnesses is, of course, an effective instrument in prosecutions where the only witnesses available are the ones who tend to incriminate themselves. Obviously, this bill should facilitate prosecutions under the statutes referred to. I think it is a very fine piece of legislation' (pp. 143–144).

"Gerald M. Monahan, chief of police of Allentown, Pa., stressed the fact that S. 2190 would increase the effectiveness of existing antiracketeering statutes and of other criminal legislation under consideration by the subcommittee. He said that most of the law enforcement people with whom he had discussed the several crime bills pending before the subcommittee had considered S. 2190 to be 'the best piece of legislation of all of them' (p. 111).

"Charles Siragusa, former Deputy Commissioner of the Federal Bureau of Narcotics and present executive director of the Illinois Crime Commission, pointed out that the enabling act which created his commission contained comparable witness-immunity authority. He said his experience in law enforcement led him to conclude that S. 2190 'would be another excellent weapon in the war on organized crime' (p. 214).

"EXCERPTS FROM WRITTEN STATEMENTS SUBMITTED TO THE SUBCOMMITTEE

"In addition to the witnesses who testified before the subcommittee, a large number of interested and qualified persons (including State and local law enforcement officials, State supreme court justices, and professors of law specializing in criminal law) submitted written statements on S. 2190. They have been indexed and are available in the subcommittee's files. Almost without exception, those statements strongly supported the bill. Representative excerpts follow:

" 'Darrell F. Smith, attorney general of the State of Arizona: "S. 2190 is a vital measure to be highly commended and encouraged. In many instances, it is vital for the safety of all that the prosecuting authorities be in a position to forgo the possibility of prosecuting some individuals in order to develop information absolutely essential to combat crime on a broader scale. Only through effective granting of immunity can the individual's rights under the Constitution be fully protected as regards his privilege against compulsory self-incrimination."

" 'Bronson C. La Follette, attorney general of the State of Wisconsin: "We in Wisconsin have recognized the necessity for a general immunity statute in any criminal prosecutions as a necessary tool to successfully prosecuting certain types of criminal cases where evidence is difficult to obtain and it is necessary to use the testimony of accomplices and coconspirators in order to convict persons judged to be the masterminds or ringleaders. (The bill) * * * deserves the wholehearted support of the national law enforcement family."

" 'David J. Keyser, chief of police, Baton Rouge, La.: "This particular bill will be of great aid in obtaining information for prosecution of the heads of criminal organizations by using information obtained from subordinates. By granting immunity to the unimportant people in an organization, it will aid prosecutors and investigators in obtaining good evidence for prosecution."

" 'Frank S. Hogan, district attorney of the county of New York: "I approve of giving the Attorney General or designated Assistant Attorney General authority to compel a person claiming the privilege of self-incrimination to testify or produce evidence in any case involving violation of certain Federal laws and grant such persons immunity from prosecution for any transaction regarding which he was compelled to testify."

" 'John McKee, president and managing director, the Dallas Crime Commission: "Senate bill S. 2190 is a very important bill. From our crime commission's standpoint * * *, I find personally a lot of cases where men will come forward and there would be sources of information that would lead us directly to cases that are unsolved or cases that are planned, * * * (and if) immunity could be secured for these individuals this would be a great deterrent—particularly within the small organized group of criminals. I think the bill would accomplish this purpose."

" 'R. A. Miles, chief of police, Austin, Tex.: "Legislation of this type, in my humble opinion, is overdue. All of us in the law enforcement profession have long deplored the obstacles which have been so consistently placed in the path of * * * efforts to ferret out the identities of those engaged in widespread criminal and subversive activities. This bill is exceptionally well drawn and should provide adequate constitutional safeguards for those who are cooperative or are innocent of any wrongdoing."

" 'F. C. Ramon, chief of police, Seattle, Wash.: "In the difficult area of measuring the rights of a human being in our society against the needs of government in protecting that society, this legislation is an exemplar of striking the necessary balance. * * * If this bill is enacted, undoubtedly the States using the grand jury system will enact similar legislation. This will serve as a model or base for legislation in the nongrand-jury States in the presently almost foreclosed areas of investigation." '

"CRIMINAL STATUTES TO WHICH THE BILL APPLIES

"As noted above and stressed throughout the hearings, S. 2190 does not represent an effort to establish general Federal immunity authority, but aims instead to extend that authority only to the area of law enforcement where the need has been demonstrated to be most critical: the investigation and prosecution of organized crime, with respect to which evidence is often unobtainable if accomplices and coconspirators cannot be compelled to testify. The legislation would authorize Federal prosecutors to confer immunity from prosecution, in appropriate cases, in exchange for testimony or evidence relating to violations of four criminal statutes covering a wide variety of racketeering offenses, including interstate gambling, prostitution, and bootlegging, as well as bribery, graft, bankruptcy fraud, jury tampering, and other such schemes for the obstruction of justice. The four statutes will be discussed in order.

"I. The racketeering travel act

"One of the major weapons in the Government's fight against organized crime is the Racketeering Travel Act (18 U.S.C. 1952), enacted by the 87th Congress in an effort to enable the Federal Government to deal more effectively with multistate racketeering. That provision goes to the heart of illegal activities conducted by interstate crime syndicates by making it a felony to travel in interstate or foreign commerce, or to use an interstate or foreign commerce facility, for the purpose of distributing the proceeds of an unlawful activity, committing a crime of violence to further an unlawful activity, or otherwise promoting or carrying on an unlawful activity. "Unlawful activity" is defined to include any business enterprise involving violations of State or Federal laws on gambling, liquor, narcotics, prostitution, extortion, or bribery.

"Attorney General Katzenbach, in his testimony before the Subcommittee on Criminal Laws and Procedures, said that section 1952 has already proved to be "one of the most useful antiorganized crime laws" in the Government's arsenal (p. 31). However, he expressed the strong belief that to develop the statute to its maximum usefulness, legislation is needed enabling the Government to compel the testimony of persons having knowledge of violations of the section or conspiracies to violate it, who would otherwise refuse to testify on the basis of the fifth amendment. Such legislation, he said, "is important—perhaps essential—if we are ever to pierce effectively the conspiracy of silence which is the prime protection of the leading gangsters in organized crime" (p. 31).

"Assistant Secretary Acheson agreed with the Attorney General that section 1952 has been a significant weapon against organized crime, and would be even more effective if an immunity provision were added. He said (p. 58):

" 'Investigations of violations of section 1952 of title 18 involving liquor and narcotics are, under subsection (c) of that section, designated to be supervised by the Secretary of the Treasury. Our experience with that section supports the Justice Department's view that it is an effective tool in combating organized crime operations. Considering the multiparty nature of most of the operations involving liquor and narcotics which would be punishable under section 1952, it might well be necessary to grant immunity to peripheral participants in order to develop certain cases against those principally responsible for the enterprise. We therefore support the addition of immunity provisions to section 1952.'

"In his testimony during the hearings on organized crime held by the Senate Permanent Subcommittee on Investigations in 1963, Attorney General Kennedy stressed that one major purpose of his testimony was to seek the help of Congress in obtaining legislation authorizing the granting of immunity to witnesses in racketeering investigations and prosecutions. Mr. Kennedy told the subcommittee that as racketeers have become more clever and adroit at insulating themselves from the law, the value of informants has increased correspondingly; but the flow of information from such

sources has not answered the problem. 'Being able to identify a top racketeer is one thing,' he said, 'securing the evidence to convict him in a court of law is quite another.'[4]

"With that problem in mind, Mr. Kennedy asked specifically that the Congress enact legislation authorizing the granting of immunity to witnesses in establishing violations of the Racketeering Travel Act:

"'Attorney General KENNEDY. * * * I have recommended * * *, Mr. Chairman, * * * having an immunity statute attached to section 1952 of title 18, the Racketeering Travel Act passed by Congress at the last session, which deals with travel on illegal business across State lines. Illegal business is described as prostitution, organized crime, gambling, bribery, extortion. This is a very powerful weapon and it has been very useful to us so far. But we have a difficult time, as always, in obtaining witnesses to testify on some of these matters. If we could give immunity to some of the key witnesses who have information about these kinds of activities, that would be extremely important.'[5]

"The committee is persuaded that an immunity provision is needed to develop the Racketeering Travel Act to maximum usefulness. As of many of the witnesses stressed in their testimony, the need is inherent in the way modern interstate racketeering is carried on. Rackets lords need only contact one or two trusted lieutenants to successfully direct a massive illegal gambling or liquor operation, shielded from the likelihood of apprehension and prosecution by the fact that the only persons who can implicate them are their lower echelon accomplices who are themselves involved and, therefore, unlikely to talk. Section 1 of S. 2190 would enable Government prosecutors to overcome this obstacle in many cases by granting immunity from prosecution to lesser participants in interstate racketeering enterprises in order to obtain information from them for use in achieving the conviction under section 1952 of the bosses of the operations.

"2. Obstruction of justice

"Section 1503 of title 18, United States Code, makes it a felony to influence by threat or force, or to injure a witness or juror in a judicial proceeding. Attorney General Katzenbach told the subcommittee that one major way in which justice is sometimes frustrated is by the intimidation or injury of witnesses in criminal proceedings. Witnesses or potential witnesses in Federal court proceedings have been seriously injured or even killed, and persons believed to have evidence with respect to such incidents have refused to testify on the grounds of self-incrimination.

"This was corroborated by Mr. Siragusa, of the Illinois Crime Commission, who told the subcommittee that, in his State of Illinois, 'investigations of organized crime are continually obstructed by acts of violence.' He described one particularly brutal instance in which a female witness was first bribed and then threatened by a leading racketeer to induce her not to identify three armed robbers. When she decided to testify anyway, her home was subsequently burned, killing her 5-year-old son, despite extensive police surveillance (pp. 211–212).

"Attorney General Katzenbach testified that, in his opinion, 'addition of immunity provisions to secton 1503 would enable us better to secure information about the beating and murder of witnesses' and would make that statutory method for the protection of Government witnesses much more effective (p. 31). The committee agrees that such legislation (sec. 2 of S. 2190) would constitute an important additional protection to our system of justice.

"3. Bankruptcy frauds

"Chapter 9 (secs. 151–155) of title 18, United States Code, prohibits fraudulent schemes designed to violate the Federal bankruptcy laws, such as fraudulent concealment of assets, false claims against bankrupt estates, and embezzlement by trustees or receivers in bankruptcy. The committee believes that if testimony with respect to violations of that chapter could be compelled, an important source of illegal revenue for organized crime syndicates could be closed and the legitimate business community could be protected more effectively against costly fraudulent bankruptcy schemes.

"The subcommittee was told that bankruptcy investigations conducted in various parts of the country have disclosed that setting up and financing planned bankruptcies constitutes a major source of revenue for organized crime. Such schemes usually involve use of an ostensibly honest and respectable frontman or the takeover of a business with an established credit rating. Large amounts of merchandise are obtained from suppliers on the credit of the frontman or business, with no intention of paying for it. The merchandise is then sold, the proceeds are stolen by the organizers of the operation, and the business goes into bankruptcy. Throughout the operation, and at the bankruptcy proceedings in the Federal court, only the frontman appears. Without his cooperation, which he generally refuses to give on the basis of the fifth amendment because he is himself implicated, there is usually no evidence with which to prove that the bankruptcy was deliberate and fraudulent and to implicate the operators of the scheme. Section 3 of S. 2190 would authorize the Government to compel the frontman to testify, in appropriate cases, by granting him immunity from prosecution on the basis of his testimony. In this way, persons involved in relatively minor capacities in fraudulent bankruptcy schemes can be compelled to divulge information which may aid in the identification and prosecution of the persons primarily responsible for these fraudulent operations.

"The prevalence of planned bankruptcies and the high cost of such schemes to the public and to legitimate businesses are evident from the numerous letters received by the subcommittee and individual Senators from representatives of the business community. The letters are available for reference in the subcommittee's files. The following excerpts are typical:

"Stanley L. Davis, general credit manager, American Olean Tile Co., Lansdale, Pa.: "We certainly would like you to know that we are 100 percent in favor of Senate bill 2190 which you introduced to help the Government fight planned bankruptcies. We hope that you can have this bill enacted because crime in planned bankruptcies has been prevalent in our area."

"R. W. Rowles, assistant treasurer, Anchor Hocking Glass Corp., Lancaster, Ohio: "Your attention is again directed to Senate bill 2190 which would assist the Government in its fight against organized crime in 'planned bankruptcies.' * * * Our firm has suffered damage as the result of this type of operation and we believe, as do other members of the National Association of Credit Management, that this bill would assist in the prevention of such frauds."

"O. D. Glass, Jr., assistant credit manager, Genesco, Inc., Nashville, Tenn.: "We believe that this bill would be in the best interest of the credit fraternity in general and that business would be benefited thereby."

"Alan B. Sipe, corporate credit manager, the Huffman Manufacturing Co., Dayton, Ohio: "I would like to urge positive action on Senate bill 2190 * * * Credit men in all States are plagued with syndicate bankruptcies and more convictions would tend to make this business unprofitable * * *'"

"There can be no doubt of the serious problem posed by planned bankruptcies, both from the point of view of the legitimate business community and in terms of a revenue source for organized crime. The committee believes that enactment of S. 2190 will, as Attorney General Katzenbach stated, provide the Justice Department with 'a much-needed wedge to drive into the increasing intrusions of racketeers into legitimate business' (p. 31), thus better enabling the Department to protect the public against costly frauds and eradicate what may well be organized crime's largest single illegal revenue source.

"4. Bribery, graft, and conflict of interest

"S. 2190 would similarly amend title 18, chapter 11, United States Code, to provide for the compelling of testimony and the granting of immunity therefor with respect to bribery, graft, and conflict-of-interest violations involving public officials. Because of the nature of these offenses and their seriousness, the committee deems it essential that the Government be afforded an additional tool with which to protect itself and the public. Section 4 of S. 2190 would provide such a tool.

"Attorney General Katzenbach told the subcommittee that political corruption has become 'one of the most important types of organized crime conduct and at the same time one of the most difficult to deal with.' Neither a briber nor a public official who has accepted a bribe will readily testify, he said, since both have committed a crime. An immunity provision added to chapter 11 'would allow the Department to determine which may be the less culpable and then to proceed against the other' (p. 31).

"The committee recognizes that political corruption has become a serious and ubiquitous byproduct of organized crime. It undermines the integrity and efficiency of public officials and tends to destroy public confidence in law enforcement and the administration of criminal justice. Enactment of S. 2190 would provide a means of combating such corruption by authorizing law enforcement officials to immunize one of the parties involved and compel him to give testimony which can be used to convict and punish the other.

"ANALYSIS OF THE BILL'S PROVISIONS

"Witness must affirmatively claim fifth amendment privilege

"S. 2190 provides, in brief, that the Government may compel a witness to testify or produce evidence with respect to violations of the four criminal statutes referred to, despite the self-incriminating nature of the testimony; but in exchange for the testimony, the Government is disabled from obtaining penal sanctions against the witness for matters revealed by his testimony. This is based upon the proposition that the fifth amendment does not confer upon a witness an absolute right to remain silent, but protects him only from being compelled to furnish evidence that could result in his being subjected to a criminal sanction. If the witness is rendered immune from incrimination on the basis of his testimony, the fifth amendment proscription loses its force and may not be relied upon as a basis for refusing to testify. (*Brown* v. *Walker*, 161 U.S. 591 (1896).)

"As noted above, there are some 55 Federal immunity statutes currently in force. Most of them are embodied in regulatory statutes for the purpose of facilitating the enforcement procedures of the various administrative agencies, although some are applicable to grand juries and trials. The existing statutes may also be classified as to whether or not a witness must affirmatively claim his privilege against self-incrimination before he is entitled to be immunized. Some of them, called claim statutes, require the witness to first claim his privilege and refuse

[4] Hearings on Organized Crime and Illicit Traffic in Narcotics, op. cit. note 1 above, p. 15.

[5] Id. at p. 18.

to testify. Others, called automatic or immunity bath statutes, provide that a witness automatically obtains immunity from prosecution merely by responding to a subpena and testifying, without the necessity of first claiming his constitutional privilege.

"The committee is of the opinion that a witness should be required to claim his constitutional privilege before being given immunity in order to avoid the possibility of a witness getting an unintentional or unnecessarily broad 'immunity bath' solely by reason of his having been called to testify. Hence S. 2190 provides that a witness may be granted immunity with respect to any transaction, matter, or thing concerning which he is compelled to testify 'after having claimed his privilege against self-incrimination.' The granting of immunity should in every instance be a considered and conscious act and should not be attained by inadvertence, mistake, or neglect. By requiring the witness affirmatively to claim his privilege not to testify, the bill affords the Government the opportunity to make a deliberate, positive evaluation of the expected testimony in the light of its necessity to the public interest as opposed to whatever disadvantage to the cause of justice may be the result of immunizing a particular witness.

"Procedure for granting immunity

"While most of the immunity statutes currently in force do not detail procedures for granting immunity, at least two, the Narcotic Control Act of 1956 (18 U.S.C. 1406) and the Federal Immunity Act of 1954 (18 U.S.C. 3486), do set forth a procedure. Those statutes, which authorize grants of immunity in connection with narcotics violations and national security offenses, respectively, provide that whenever the testimony of a witness who has claimed his privilege against self-incrimination is considered necessary to the public interest, the U.S. attorney, upon approval of the Attorney General, shall make application to the court that the witness be instructed to testify or produce evidence. Upon order of the court, the witness is granted immunity and ordered to testify.

"S. 2190 as introduced set forth no procedure for granting immunity. It provided merely that no witness should be entitled to refuse to testify about enumerated violations on the basis of the fifth amendment, but such witness would receive immunity from prosecution on the basis of testimony compelled, with the approval of the Attorney General, over his fifth amendment objection. A number of witnesses and correspondents, including particularly Mr. Zagri of the Teamsters Union and Mr. Speiser of the ACLU, criticized the failure of the bill to spell out a procedure for granting immunity embodying some judicial check on the discretion of the Attorney General to indiscriminately immunize witnesses.

"The committee believes that the legislation under consideration should set forth a procedure for the granting of immunity which includes an application to the court for an order directing the witness to testify. Although in most cases a court order would in fact be the normal result, whether specifically required or not, the committee can visualize instances, particularly in proceedings before grand juries, in which the absence of a requirement for an application to grants of immunity which would not be in the best interest of the Government and would not adequately assure the protection of the rights of the witness. Therefore, the committee has amended S. 2190 by substituting the procedure specified in the immunity provision of the Narcotic Control Act of 1956 and the Federal Immunity Act of 1954, which have been interpreted and approved by the U.S. Supreme Court.[6]

"The procedure set forth in the bill as thus amended should better protect the rights of the witness and provide a judicial check against the sort of indiscriminate and unwise use of immunity grants feared by Mr. Zagri and Mr. Speiser.

"While the amended bill does not spell out the application procedure in minute detail, the committee envisions that the Department of Justice will employ the procedure now used in applying for immunity grants under the Narcotic Control Act and the Federal Immunity Act. Under those statutes, when a U.S. attorney has received a letter from the Attorney General approving an application to a district court for an order compelling the testimony of a particular witness, the U.S. attorney must submit an application to the court setting forth the following:

"1. That the grand jury is inquiring into matters pertaining to the statute;

"2. That the witness was asked certain questions (repeating the questions in detail);

"3. That the witness refused to answer the stated questions;

"4. That the answers to the questions are necessary to the public interest of the United States; and

"5. That the application is made with the approval of the Attorney General (a copy of the letter of approval is attached to the application).

"In support of the application, an affidavit is filed by the U.S. attorney stating:

"1. That the testimony is necessary to the public interest;

"2. That the affiant was present during the testimony of the witness before the grand jury;

"3. That the information is material and necessary to the investigation being conducted by the grand jury; and

"4. That the application is made in good faith.

"Under this procedure, the court has no discretion to deny the order of the ground that the public interest would not warrant it. The court's duty is only to ascertain whether the statutory requirements have been complied with by the grand jury, the U.S. attorney and the Attorney General. (*Ullmann* v. *United States*, cited in note 6 above.) Thus the court may not question the judgment of the prosecutive branch as to whether or not the public interest requires that a particular witness be granted immunity; but it may inquire into such matters as whether some other legal objection to compelling the witness' testimony exists and matters showing the presence or absence of good faith in the application. In addition, the provision requiring the approval of the Attorney General or his designee before an application for immunity may be made should serve as a check against hasty or improper action by prosecuting attorneys and should assure that the overall picture of organized crime will be considered before immunity applications are made.

"The substitute bill retains one procedural feature of the bill as introduced which does not appear in the Narcotic Control Act or the Federal Immunity Act. It is provided that an Assistant Attorney General designated by the Attorney General, as well as the Attorney General himself, may approve an immunity application. Attorney General Katzenbach stated in his testimony that, because of administrative considerations within the Department of Justice, the authority should be delegable. The committee concurs, and that provision of the original bill is, therefore, retained in the substitute bill.

"Scope of immunity granted

"Utilization of the language of 18 U.S.C. 1406 (the Narcotic Control Act) and 18 U.S.C. 3486 (the Federal Immunity Act of 1954) has the additional advantage of avoiding any possible controversy as to the scope of immunity granted in exchange for compelled testimony, since the relevant words of those sections have been construed by the U.S. Supreme Court to grant immunity from prosecution sufficiently broad to be constitutional.

"In order to be constitutionally acceptable, an immunity statute must confer protection as broad as the fifth amendment privilege it displaces. *Counselman* v. *Hitchcock*, 142 U.S. 547 (1892). In two recent decisions on this point, the Supreme Court has said that the fifth amendment's prohibition against compelled self-incrimination extends to the States through the 14th amendment, *Malloy* v. *Hogan*, 378 U.S. 1 (1964), and that, therefore, a witness in a Federal court is protected against being compelled to give testimony that might incriminate him under State law as well as Federal law, and a witness in a State court is protected against compelled self-incrimination under Federal law as well as State law, *Murphy* v. *Waterfront Commission of New York Harbor*, 378 U.S. 52 (1964).

"In construing the Narcotic Control Act (in *Reina* v. *United States*, 364 U.S. 507, 510–512 (1960) and the Federal Immunity Act (in *Ullmann* v. *United States*, 350 U.S. 422 434–435 (1956)), the Supreme Court has said that the relevant language, which is utilized substantially verbatim in the substitute bill, provides immunity from State as well as Federal prosecutions, and therefore validly supplants the privilege against self-incrimination. The Court said further that the Congress clearly has the power to enact legislation granting immunity from State prosecutions to the extent necessary and proper for the more effective enforcement of criminal laws within the power of Congress to enact (*Reina*, p. 511–512, upholding grants of State immunity under the Federal narcotics laws enacted under the commerce clause). The committee has no doubt, therefore, that the Congress has the power to grant immunity from State as well as Federal prosecutions in exchange for testimony relating to the four criminal statutes to which S. 2190 refers. Each of those statutes applies particularly to organized crime, the far-reaching national and even international implications of which have caused the Congress serious and continuing concern. The discovery and apprehension of those engaged in it present particularly difficult problems of law enforcement, as noted in detail earlier in this report. It can hardly be questioned, the committee believes, that the Congress has a rational basis for agreeing with the Justice Department that the grant of State as well as Federal immunity would be appropriate and conducive to more complete disclosure and cooperation by witnesses, and hence would aid in the more effective enforcement of the antiracketeering laws.

"In this regard, the committee feels it appropriate to note that it understands the *Murphy* v. *Waterfront Commission* opinion to indicate that a Federal immunity statute need not altogether bar subsequent State prosecutions for matters or transactions about which a witness is compelled to testify before a Federal court or grand jury, provided State authorities are prohibited from using the compelled testimony or its fruits in any manner in connection with a criminal proceeding against the witness. However, the committee agrees with the judgment of the Department of Justice that, since the question is not free from doubt,[7] and in order to

[6] The Federal Immunity Act was held constitutional in *Ullman* v. *U.S.*, 350 U.S. 422 (1956) and *Adams* v. *Maryland*, 347 U.S. 179 (1954); the Narcotic Control Act's immunity provision was held constitutional in *Reina* v. *U.S.*, 364 U.S. 507 (1960).

[7] In *Stevens* v. *Marks*, 383 U.S. 234 (February 1966), the Court notes that it is still an undecided question whether merely prohibiting the use of the witness' testimony or its fruits (but not prohibiting prosecutions based on independent evidence) is sufficient to supplant the fifth amendment.

secure the maximum cooperation of knowledgeable witnesses—which is the primary purpose of the legislation—the immunity granted should preclude subsequent State or Federal prosecutions for matters revealed by compelled testimony and preclude the use of such compelled testimony as evidence in a subsequent criminal proceeding against the accused in any court, State or Federal. As noted, the language of the substitute bill *has been interpreted* by the Supreme Court to have that effect."

CONCLUSIONS

The committee finds that S. 677, which is identical to the amended bill approved by this committee and passed by the Senate during the second session of the 89th Congress, is meritorious and recommends it favorably. The authority to make immunity grants has been given to nearly all of the administrative agencies, but unaccountably has been withheld, in large part, from the prosecutive arm of the Government where it is most urgently needed. Experience has shown that immunity authority, where it exists, has been used sparingly and without abuse and has been helpful to law enforcement. The proposed legislation would authorize immunity grants with respect only to four criminal statutes directly applicable to organized crime, and would specify a procedure designed to avoid excessive or unwise use and to assure full protection of the rights of the witness. The committee concludes that the legislation would be a significant improvement in existing law and recommends that the bill be considered favorably.

BILL PASSED OVER

The bill (S. 541) for the relief of Jack Baer was announced as next in order.

Mr. MANSFIELD. Over.

The PRESIDING OFFICER. The bill will be passed over.

DR. AMPARO CASTRO

The bill (S. 118) for the relief of Dr. Amparo Castro was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 118

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Amparo Castro shall be held and considered to have been lawfully admitted to the United States for permanent residence as of May 1, 1958.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the the RECORD an excerpt from the report (No. 311), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to file a petition for naturalization.

ARTHUR JEROME OLINGER, AND GEORGE HENRY OLINGER

The bill (S. 155) for the relief of Arthur Jerome Olinger, a minor, by his next friend, his father, George Henry Olinger, and George Henry Olinger, individually, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 155

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any statute of limitations, bars of laches, or lapse of time, or that the claims herein arose in a foreign country, jurisdiction is hereby conferred upon the United States District Court for the District of Hawaii to hear, determine, and render judgment upon the claims of Arthur Jerome Olinger and his father, George Henry Olinger, for compensation for a fractured skull and other injuries sustained by the said Arthur Jerome Olinger at the age of three, such injuries having occurred as a result of a fall from the third floor of Government quarters, owned and controlled by the United States, known as Feebren Strasse II, Warner Barracks, in Bamberg, Germany, on September 29, 1962.

SEC. 2. Suit upon any such claims may be instituted at any time within one year after the date of the enactment of this Act. Proceedings for the determination of such claims and review thereof, and payment of any judgment thereon, shall be in accordance with the provisions of law applicable to cases over which the court has jurisdiction under section 1346(b) of title 28 of the United States Code. The application of section 2680(k) of title 28 of the United States Code to the claims herein is waived. Nothing in this Act shall be construed as an inference of liability on the part of the United States.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 312), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is that, notwithstanding any statute of limitations, bars of laches, or lapse of time, or that the claims herein arose in a foreign country, jurisdiction is hereby conferred upon the U.S. District Court for the District of Hawaii to hear, determine, and render judgment upon the claims of Arthur Jerome Olinger and his father, George Henry Olinger, for compensation for a fractured skull and other injuries sustained by the said Arthur Jerome Olinger at the age of three, such injuries having occurred as a result of a fall from the third floor of Government quarters, owned and controlled by the United States, known as Feebren Strasse II, Warner Barracks, Bamberg, Germany, on September 29, 1962.

STATEMENT

The facts of the case are found in the Army report of January 11, 1966, on S. 1803, 89th Congress, and are as follows:

"On September 29, 1962 at approximately 11:15 a.m., Army Sergeant George Olinger's 4-year-old son, Arthur, fell from his third floor bedroom window in Government quarters at Bamberg, Germany. Mrs. Olinger informed an investigator that she had left her son in his bedroom to pick up some paper. She was in the living room combing her hair when she heard a scream. She ran into the bedroom and saw that the window was open and the screen had fallen out. When asked how her son was able to get up to the window, she answered that she had a coffee table setting by the window and her son must have climbed upon the table and opened the window. Mrs. Olinger explained why the post engineer had not installed bars over the bedroom window as follows:

"'About 3 months ago I called the engineers and made a request for them to do it because the screen had fallen out on other occasions. They told me that they couldn't do anything unless I came down and signed some papers for the work order. My husband is always in the field and has very little time to go down and with four children it is hard for me to go down to their office.'

"As a result of the fall Arthur Olinger suffered a skull fracture. After being taken to the 188th General Dispensary in Bamberg, Germany, he was evacuated by air, first to the 10th Field Hospital, Wurtzburg, Germany, then to the Landstuhl Medical Center. The child was treated at the Landstuhl Medical Center from September 29, 1962, to October 6, 1962. The clinical record of Arthur Olinger shows his medical treatment as follows:

"'The patient was admitted September 29, 1962, at 1630 hours. Shortly thereafter the patient was taken to the operating room where debridement of the skin, right frontal, with removal of loose depressed bone fragment and repair of tear in the wall of sagittal sinus was done. Approximately 30 cc's of brain was debrided. Postoperatively the patient did well and by October 5, 1962, was awake, and alert and eating well. He was up and about the ward and the wound looked good. On October 6, 1962, the sutures were removed and the wound found to be well healed.'

"Congress has provided for an orderly system to compensate individuals for personal injuries caused by one of the Armed Forces. Persons injured in the United States or its territories may file suit under the Federal Tort Claims Act (28 U.S.C. 1346, 2671–2680 (1964)) or seek administrative redress through the appropriate military department under the Federal Tort Claims Act, the Military Claims Act, infra, and other laws. Claimants injured in a foreign country by one of the Armed Forces have no judicial remedy in U.S. courts but may seek administrative relief under the Military Claims Act (10 U.S.C. 2733 (1964)) or under other laws not pertinent to the present case. The Olingers had 2 years from the date the claim accrued to file a claim against the United States cognizable under the Military Claims Act, supra, Such claims may be administratively settled for an amount not to exceed $5,000 and any amount in excess of $5,000 deemed meritorious is reported to Congress for its consideration. The Olingers have not presented a claim to the Army under this statute and are now barred from doing so by the statute of limitations. The purpose of the bill is to waive any statute of limitations and to permit a cause of action in a U.S. district court for a tort claim expressly barred from judicial consideration under the provisions of the Federal Tort Claims Act as it arose in a foreign country (28 U.S.C. 2680(k) (1964)). Enactment of the proposed legislation would therefore interfere with the systematic procedures provided by Congress for administrative and judicial consideration of such claims against the United States. It could result in the introduction of numerous similar bills. Even if the Olingers were allowed to institute suit in a district court by enactment of the bill, recovery would be improbable as the Government is in no way responsible for the injuries suffered by Arthur Olinger. At the time of his injuries window guards were installed on the windows of children's bedrooms in Government housing at the Bamberg post only upon written request by either sponsors or dependent wives. Although the post engineers informed Mrs. Olinger 3 months before the incident that window guards could not be installed without a written request, a search of the records at the Bamberg Subdistrict Engineering Office disclosed that the Olingers failed to submit a written request for the installation of window guards."

It is the opinion of the committee that the rights of a minor child should not be extinguished because of a mere inadvertence of the mother. In disagreement with the Army on this point, the committee recommends favorable enactment of S. 155, without amendment.

CWO CHARLES M. BICKART

The bill (S. 163) for the relief of CWO Charles M. Bickart, U.S. Marine Corps was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 163

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Chief Warrant Officer Charles M. Bickart, United States Marine Corps (retired), is hereby relieved of all liability for repayment to the United States of the sum of $8,407.49, representing the amount of overpayments of retired pay received by the said Chief Warrant Officer Charles M. Bickart (retired), for the period from July 1, 1955, through September 30, 1963, as a result of administrative error in the computation of his retired pay. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Chief Warrant Officer Charles M. Bickart (retired), referred to in the first section of this Act, the sum of any amounts received or withheld from him on account of the overpayments referred to in the first section of this Act.

Mr. MANSFIELD. Mr. President. I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 313), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to relieve CWO Charles M. Bickart, U.S. Marine Corps (retired), of all liability to repay to the United States the sum of $8,407.49, representing the amount of overpayments of retired pay to him from July 1, 1955, through September 30, 1963, as a result of administrative error in the computation of his retired pay. The bill would also authorize the Secretary of the Treasury to pay to Mr. Bickart any amounts that have been received or withheld from him on account of the overpayments.

STATEMENT

Late in the second session of the 89th Congress, this committee reported, and the Senate passed, S. 1406, a bill for the relief of this claimant. There was not time in the second session for action by the House of Representatives.

The records of the Department of the Navy disclose that Mr. Bickart was transferred to the Fleet Marine Corps Reserve on July 24, 1946, having completed 21 years and 18 days of active duty. He again performed active duty from January 21, 1952, through June 30, 1955. He was then released from active duty, and, having completed more than 30 years of active and inactive service, he was transferred from the Fleet Marine Corps Reserve to the retired list effective July 1, 1955, pursuant to section 6331 of title 10, United States Code and was advanced to the grade of chief warrant officer.

Through administrative error Mr. Bickart was improperly paid monthly retired pay based on the basic pay of a chief warrant officer (W–2) with over 30 years of service, and with 30 years of service (times 2½ percent) used as a multiplier in computing retired pay. He was actually entitled, however, to retired pay based only on his years of active service; that is, the pay of a chief warrant officer (W–2) with over 24 years of service, using 24 years of active service (times 2½ percent) as a multiplier in computing retired pay (10 U.S.C. 6330, 6331).

The erroneous overpayments to Mr. Bickart continued from July 1, 1955, through September 30, 1963, and totaled $8,407.49. The error was eventually discovered incident to a review of his pay account. The recipient has now furnished the Navy Department data on his personal finances which indicates that repayment would work an extreme hardship on him.

The Department of the Navy, in reporting on the merits of S. 1406, an identical bill of the 89th Congress, to the chairman of this committee, stated in part as follows:

"Since officers retired upon completion of 30 years' service normally receive retirement pay computed on total service, including Inactive Reserve time, Chief Warrant Officer Bickart could reasonably have expected that because he had been advanced to officer status, his retirement pay would be based upon the same total cumulative service computation. Even assuming access to Marine Corps publications, he could not have detected an inaccuracy in the amount of retired pay due him by reference to a then appropriate publication, the Marine Corps Manual, 1949, volume I, paragraphs 1042 and 1043. Those paragraphs provided no criteria other than citation to statutory authority. Statutes involving computation of retired pay are both complicated and subject to legal interpretation. To charge this former enlisted man, in effect, with the burden of discovering, examining, and correctly interpreting, personally or through counsel, all the applicable statutes, decisions of courts and the Comptroller General, and service regulations, or of accepting at his peril the computation rendered by the Marine Corps, does not appear to come within the fair and reasonable meaning of detectability or presumed detectability of the erroneous payments made to him.

"Inasmuch as the overpayments to Chief Warrant Officer Bickart were due to an administrative error rather than to action on his part, and it does not appear that he knew or reasonably should have known he was being overpaid, the Department of the Navy interposes no objection to enactment of S. 1406."

The committee is in agreement with the views expressed by the Department that the claimant should be relieved from the liability to repay this amount to the United States. The committee has in the past in a number of instances relieved a Government employee from liability to repay amounts overpaid through administrative error and where repayment would impose an undue financial hardship upon the claimant, and where the claimant received the overpayments in good faith. In view of the fact that these factors are all present in the instant case, the committee recommends favorable consideration of S. 163, without amendment.

ROSEMARIE GAUCH NETH

The bill (S. 445) for the relief of Rosemarie Gauch Neth was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 445

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Rosemarie Gauch Neth, the widow of a member of the Armed Forces of the United States who died in line of duty while serving in Vietnam, shall be held and considered to be within the purview of section 319(a) of such Act.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 314), explaining the purposes of the bill.

There being no objection, the excerpt was orderded to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to preserve to the widow of a U.S. serviceman the privilege of filing a petition for naturalization under section 319 of the Immigration and Nationality Act as the spouse of a U.S. citizen.

RICHARD K. JONES

The bill (S. 454) for the relief of Richard K. Jones was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 454

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Richard K. Jones of Avondale Estates, Georgia, the sum of $15,000, in full satisfaction of all his claims against the United States for compensation for personal injuries sustained by the said Richard K. Jones as a result of an automobile accident occurring on January 23, 1957, while he was officially engaged in pursuing suspected violators of the Internal Revenue Code as an investigator of the United States Treasury Department: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 315), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is to authorize and direct the payment of $15,000 to Richard K. Jones in full satisfaction of all his claims against the United States for compensation for personal injuries sustained as a result of an automobile accident which occurred on January 23, 1957.

STATEMENT

A similar bill, S. 1213, was favorably considered by the Committee on the Judiciary in the 89th Congress, which was passed by the Senate and referred to the House of Representatives.

The Department of the Treasury "is of the opinion that the question of whether relief should be granted in this case involves a matter of policy for congressional determination."

The facts of the case are contained in the report of the General Counsel of the Treasury to the chairman of the committee, dated September 2, 1965 on S. 1213, 89th Congress, and are as follows:

"On the date of the accident Mr. Jones and two fellow employees were on official duty as criminal investigators, alcohol and tobacco tax, Internal Revenue Service, and while en-

gaged in the pursuit of suspected violators of the liquor laws, the suspects' vehicle forced the investigators' automobile off the road whereupon it overturned and rolled down an embankment.

"As a result of his injuries, which included a fractured femur, severe lacerations of the face and neck and damage to his vocal cords, Mr. Jones was hospitalized and was unable to return to work until March 4, 1957. Pursuant to the provisions of the Federal Employees' Compensation Act (5 U.S.C., ch. 15), the Bureau of Employees' Compensation, U.S. Department of Labor, disbursed a total of $3,105.45 in payment of medical expenses incurred by Mr. Jones.

"We have also been advised by that Bureau that Mr. Jones' face and neck are scarred as a result of the lacerations suffered in the accident and that he has some speech difficulty as a consequence of the paralysis of one of his vocal cords. It is also indicated that after remaining in a standing position for a period of time, he is unable to walk without a limp.

"Although there appears to be no dispute concerning either the nature and extent or the residual effects of Mr. Jones' injuries, none of these problems, in the judgment of the Bureau, had an adverse effect upon Mr. Jones' wage earning ability and, therefore, he had no 'disability' within the meaning of the act. However, even if a finding of disability had been made, his speech impairment is not a loss such as would bring him within the schedule (5 U.S.C. 755) under which additional compensation is awarded for various periods of time for the loss of certain designated members and functions of the body. It is apparent, however, that his speech impairment represents a loss at least equal to, if not greater than, many of these specified in the schedule. Loss of the use of a toe, finger, and even part of a finger, are but a few examples of compensable disabilities under that schedule.

"Mr. Jones assumed his present position as an investigator in the Inspector General's Office of the Department of Agriculture on or about January 4, 1960, after it became evident that he was no longer competent to meet the rigorous physical demands placed upon a criminal investigator. In his former employment, Mr. Jones would have qualified for retirement upon the completion of 20 years of satisfactory Government service and he stated that it was his intention, had he remained in that position, to retire at the end of 20 years to begin the practice of law. Mr. Jones believes that the additional length of time he must now serve in order to qualify for retirement has eliminated any possibility of a private law practice.

"Insofar as the retirement benefits are concerned, the Civil Service Commission has advised that it does not believe that any monetary value can or should be assigned to the difference between the annuity Mr. Jones might have received had he qualified for special law enforcement benefits and the annuity he may ultimately receive under the Retirement Act provisions applicable to employees generally, since entitlement to the special law enforcement benefit cannot be presumed in advance; and that this special benefit exists only after the individual has met all of the statutory requirements. The matter of any income which may have been lost because of Mr. Jones' failure to qualify for the early retirement seems to be too speculative and hence does not warrant compensation. The Department would like to point out, however, that it is clear that as a result of the accident Mr. Jones has sustained a material loss of speech capacity for which he has received no compensation and for which there is no authority to award compensation administratively."

After consideration of the foregoing facts, the committee recommends enactment of this legislation.

ELADIO RUIZ DeMOLINA

The bill (S. 463) for the relief of Eladio Ruiz DeMolina was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 463

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Eladio Ruiz DeMolina shall be held and considered to have been lawfully admitted to the United States for permanent residence as of February 7, 1957.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 316), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to file a petition for naturalization.

SABIENE ELIZABETH DeVORE

The bill (S. 733) for the relief of Sabiene Elizabeth DeVore was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 733

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 301(a)(7) of the Immigration and Nationality Act, Robert William DeVore, a citizen of the United States, shall be held and considered to have been physically present in the United States, prior to the birth of his daughter, Sabiene Elizabeth DeVore, for a period of five years after he attained the age of fourteen years.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 317), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable Robert William DeVore to transmit U.S. citizenship at birth to the beneficiary who is his daughter.

DR. MENELIO SEGUNDO DIAZ PADRON

The bill (S. 808) for the relief of Dr. Menelio Segundo Diaz Padron was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 808

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Menelio Segundo Diaz Padron shall be held and considered to have been lawfully admitted to the United States for permanent residence as of August 10, 1961.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 318), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to file a petition for naturalization.

DR. CESAR ABAD LUGONES

The bill (S. 863) for the relief of Dr. Cesar Abad Lugones was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 863

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Cesar Abad Lugones shall be held and considered to have been lawfully admitted to the United States for permanent residence as of July 23, 1961.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 319), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to file a petition for naturalization.

DR. FELIX C. CABALLOL

The bill (S. 1108) for the relief of Dr. Felix C. Caballol was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Felix C. Caballol and Lucia J. Caballol, his wife, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of October 19, 1960.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 320), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiaries to file petitions for naturalization.

RAMON E. OYARZUN

The bill (S. 1109) for the relief of Dr. Ramon E. Oyarzun was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1109

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Ramon E. Oyarzun shall be held and considered to have been lawfully admitted to the United States for permanent residence as of November 29, 1961.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in

the RECORD an excerpt from the report (No. 32), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to file a petition for naturalization.

DR. MANUEL ALPENDRE SEISDEDOS

The bill (S. 1110) for the relief of Dr. Manuel Alpendre Seisdedos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1110

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Manuel Alpendre Seisdedos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of October 30, 1960.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 322—explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to file a petition for naturalization.

DR. LUCIO ARSENIO TRAVIESO Y PEREZ

The bill (S. 1197) for the relief of Dr. Lucio Arsenio Travieso y Perez was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1197

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Lucio Arsenio Travieso y Perez shall be held and considered to have been lawfully admitted to the United States for permanent residence as of June 18, 1961.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 323) explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to file a petition for naturalization.

WOUTER KEESING

The bill (S. 1259) for the relief of Wouter Keesing was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1259

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Wouter Keesing shall be held and considered to have been lawfully admitted to the United States for permanent residence as of October 13, 1951.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 324), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to file a petition for naturalization.

ALFREDO BORGES CAIGNET

The bill (S. 1270) for the relief of Alfredo Borges Caignet was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1270

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Alfredo Borges Caignet shall be held and considered to have been lawfully admitted to the United States for permanent residence as of June 5, 1961.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 325), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to file a petition for naturalization.

DR. FLORIBERTO S. PUENTE

The bill (S. 1278) for the relief of Dr. Floriberto S. Puente was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1278

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Floriberto S. Puente shall be held and considered to have been lawfully admitted to the United States for permanent residence as of July 3, 1961.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 326), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to enable the beneficiary to file a petition for naturalization.

AMENDMENT OF TITLE 28, UNITED STATES CODE

The bill (S. 1465) to provide for holding terms of the District Court of the United States for the eastern division of the Northern District of Mississippi in Ackerman, Miss., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1465

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third sentence of section 104(a)(1) of title 28, United States Code, is amended to read as follows:

"Court for the eastern division shall be held at Aberdeen and Ackerman.".

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 327), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is to provide that the U.S. district court is authorized to hold terms of court at Ackerman in the eastern division of the northern district of Mississippi. Accordingly, it amends the third sentence of section 104(a)(1), title 28, United States Code.

STATEMENT

At the present time, court for the eastern division of the northern district of Mississippi is held at Aberdeen, in Monroe County. Ackerman, the county seat of Choctaw County, is also in the eastern division, but in its southwest quadrant, approximately 50 miles from Aberdeen. Jurors and witnesses from Choctaw County, as well as Winston, Oktibbeha, and Attala Counties, must now travel at least that distance to court.

The Committee has been informed by the Board of Supervisors of Choctaw County that courthouse facilities sufficient to accommodate court functions will be made available at no cost to the Federal Government. An ample law library is also available.

KYONG HWAN CHANG

The bill (S. 1781) for the relief of Kyong Hwan Chang was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1781

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Kyong Hwan Chang shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 328), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to grant the status of permanent residence in the United States to Kyong Hwan Chang. The bill pro-

vides for an appropriate quota deduction and for the payment of the required visa fee.

CECIL A. RHODES

The bill (H.R. 1526) for the relief of Cecil A. Rhodes was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 329—explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to validate the postal employment of Cecil A. Rhodes, of Jacksonville, Fla., in a period from March 27, 1960, through October 4, 1965, for periods when he also served on active duty with the Navy.

STATEMENT

The facts relating to this claim are set forth in Report 37 of the House of Representatives on H.R. 1526, and are as follows:

In its report to the committee on the bill, the Post Office Department stated that it favors enactment of the bill and the U.S. Civil Service Commission and the Comptroller General have indicated that they have no objection to enactment of the bill.

The individual named in H.R. 13459 was employed by the Post Office Department in the Jacksonville Post Office as a substitute clerk working nights in the period from March 27, 1960, through October 4, 1965. An audit by the General Accounting Office disclosed that in that period he also served for temporary periods of 90 to 120 days each on active duty with the Navy. As a result, Mr. Rhodes received compensation for his civilian employment and active military duty during these periods. The Comptroller General ruled that civilian service and active military service are incompatible and that Mr. Rhodes was not entitled to retain his civilian salary during such periods unless there was statutory authority for doing so. On the basis of this ruling, Mr. Rhodes would be required to repay the full amount of compensation he received with the Post Office Department during the periods he served on active duty with the Navy and this amount in the 5-year period totaled $23,799.32. The Comptroller General's report observes that when faced with this situation and when he was required to choose which he preferred, he elected to resign his post office position and remained with the Navy.

The committee has granted relief in similar cases on prior occasions. The Post Office Department and the Comptroller General both recognized that the Government has received the benefit of Mr. Rhodes' services in the periods in question and recognized that it is inequitable for the Government to require a refund of the amounts paid him as compensation for that work. Similarly the departmental reports indicate that Mr. Rhodes performed his services in good faith without any intentional misrepresentation on his part.

It is noted that this claim has passed the House on a previous occasion, as shown by the report on H.R. 13459, of the 89th Congress.

The committee, after a study of the favorable reports from the Post Office Department and the Comptroller General of the United States, takes the view that the claimant did perform the work in good faith and that the Government received the benefit thereof. The committee concurs with the House that this is a claim which merits legislative relief and, therefore, recommends that the bill, H.R. 1526, be considered favorably.

WILLIAM JOHN MASTERTON AND LOUIS VINCENT NANNE

The bill (H.R. 2048) for the relief of William John Masterton and Louis Vincent Nanne was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 330), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to grant the status of permanent residence in the United States to William John Masterton and Louis Vincent Nanne as of September 24, 1959.

BILL PASSED OVER

The bill (H.R. 4566) for the relief of Mary F. Thomas was announced as next in order.

Mr. MANSFIELD. Over.

The PRESIDING OFFICER. The bill will be passed over.

EARL C. CHAMBERLAYNE

The Senate proceeded to consider the bill (S. 747) for the relief of Dr. Earl C. Chamberlayne which had been reported from the Committee on the Judiciary with an amendment on page 1, line 6, after the word "of", to strike out "the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available."; and insert, "December 9, 1952."; so as to make the bill read:

S. 747

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Earl C. Chamberlayne shall be held and considered to have been lawfully admitted to the United States for permanent residence as of December 9, 1952.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 332), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to enable the beneficiary to file a petition for naturalization. The bill has been amended to accomplish the desired purpose.

RAMON G. IRIGOYEN

The Senate proceeded to consider the bill (S. 1258) for the relief of Ramon G. Irigoyen which had been reported from the Committee on the Judiciary with an amendment in line 6, after the word "of", to strike out "March 30, 1961" and insert "March 23, 1961"; so as to make the bill read:

S. 1258

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Ramon G. Irigoyen shall be held and considered to have been lawfully admitted to the United States for permanent residence as of March 23, 1961.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 333), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to enable the beneficiary to file a petition for naturalization. The bill has been amended to reflect the proper date on which he was admitted as a visitor.

GONZALO G. RODRIGUEZ

The Senate proceeded to consider the bill (S. 1269) for the relief of Dr. Gonzalo G. Rodriguez which had been reported from the committee on the Judiciary with an amendment in line 6, after the word "of", to strike out "August 6, 1962.", and insert "August 2, 1962."; so as to make the bill read:

S. 1269

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Gonzalo G. Rodriguez shall be held and considered to have been lawfully admitted to the United States for permanent residence as of August 2, 1962.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 334), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to enable the beneficiary to file a petition for naturalization. The bill has been amended in accordance with the suggestion of the Commissioner of Immigration and Naturalization to reflect the proper date on which he entered the United States.

DR. ALFREDO PEREIRA

The Senate proceeded to consider the bill (S. 1280) for the relief of Dr. Alfredo Pereira which had been reported from the Committee on the Judiciary with an amendment in line 6, after the word "of", to strike out "July 26, 1963" and

insert "July 4, 1960"; so as to make the bill read:

S. 1280

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Alfredo Pereira shall be held and considered to have been lawfully admitted to the United States for permanent residence as of July 4, 1960.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 335), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to enable the beneficiary to file a petition for naturalization. The bill has been amended in accordance with the suggestion of the Commissioner of Immigration and Naturalization to reflect the proper date on which he entered the United States as a visitor.

ROY A. PARKER

The Senate proceeded to consider the bill (S. 1448) for the relief of Roy A. Parker which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert:

That the periods of time Roy A. Parker has resided in the United States since his lawful admission for permanent residence on December 16, 1958, shall be held and considered to meet the residence and physical presence requirements of section 316 of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 336), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to enable the beneficiary to file a petition for naturalization. The bill has been amended in accordance with established precedents.

AUTHORIZATION FOR THE COMMISSIONERS OF THE DISTRICT OF COLUMBIA TO SETTLE CLAIMS AND SUITS AGAINST THE DISTRICT OF COLUMBIA

The bill (H.R. 834) to amend section 5 of the act of February 11, 1929, to remove the dollar limit on the authority of the Board of Commissioners of the District of Columbia to settle claims of the District of Columbia in escheat cases was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 337), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

Under section 5 of the act of February 11, 1929 (D.C. Code, sec. 1–906), the Commissioners of the District of Columbia may not compromise a claim or suit on behalf of the District of Columbia when such settlement would reduce such claim or suit by an amount greater than $10,000.

The purpose of H.R. 834, which was passed by the House of Representatives on March 13, 1967, is to amend the aforesaid statute to authorize the Commissioners, acting for the District, and subject to the approval of the U.S. District Court for the District of Columbia, to settle a disputed claim regarding the surplus of a decedent's estate to which the District is a statutory escheatee, where such compromise would result in a reduction of more than $10,000 in the amount of the District's claim against the estate.

ESCHEAT CLAIMS

The present bill addresses itself to escheat claims that arise under section 19–701 of the District of Columbia Code which reads as follows:

"§ 19–701. Escheatment Generally

"Where there is no surviving spouse or relations of the intestate within the fifth degree, reckoned by counting down from the common ancestor to the more remote, the surplus of real and personal property escheats to the District of Columbia to be used by the Commissioners of the District of Columbia for the benefit of the poor."

Each year, there are between five and 15 cases where a person dies in the District of Columbia as to whom it is believed there are no heirs. Commonly, after publication of notice, people come forward as claimants under law against the estate. In such cases, as noted hereafter, the burden of proof which falls upon the District of Columbia may be very substantial. In such situations, it may be highly desirable and advantageous to the District of Columbia to be able to compromise such claims.

However, the authority of the Commissioners of the District of Columbia to compromise any claim is strictly limited by the act of February 11, 1929, as amended (D.C. Code, sec. 1–906) which provides:

"SEC. 5. That upon a report by the Corporation Counsel of the District of Columbia showing in detail the just and true amount and condition of any claim or suit which the District of Columbia may now or hereafter have against any person, firm, association, or corporation, and the terms upon which the same may be compromised, and stating that in his opinion the compromise of such claim would be for the best interest of the District of Columbia, the Commissioners of the District of Columbia be, and they hereby are, authorized to compromise such claim or suit accordingly: *Provided, however,* That no claim or suit so compromised shall be reduced by an amount greater than $10,000: *And provided further,* That this section shall not apply to claims or suits for taxes or special assessments."

Thus, regardless of the desirability and benefit to the District of Columbia, no compromise may be made by the Commissioners in an escheat case if the compromise would result in a reduction of more than $10,000 in the amount of the District's claim.

NEED FOR THE LEGISLATION

As noted above, the surplus of an estate escheats to the District of Columbia on proof that there is no surviving spouse or relative of the deceased within the fifth degree counting down from the common ancestor to the more remote. The burden of proof that must be borne by the District in such cases was established in the case of *Frazier* v. *Kutz,* decided by the U.S. Court of Appeals for the District of Columbia on December 13, 1943 (139 F. 2d 380), in which the court said:

"In every case of this nature there is a presumption of law that the deceased left heirs, and this presumption obtains until the claimant by escheat overcomes the presumption by strong and convincing evidence."

To comply with the standards of proof required by the courts, the District of Columbia often finds it necessary to trace the ancestry of the decedent through a series of generations to determine whether or not there is an ancestor having progeny who may or may not inherit. This may involve extensive searches of records in foreign countries to examine the validity of claims and the authenticity of foreign documents. Where records have been destroyed by conflagrations, or due to wartime destruction, it may be extremely costly or even impossible to establish essential facts of relationship. Claimants may be scattered in different nations and they would have to come to this jurisdiction themselves or by designation of representatives to testify affirmatively because of the questioned validity of or the lack of documentary proof which might otherwise support a disposition of the estate.

Where such circumstances exist, it may require expenditures which would consume a substantial part of or all of the net estate and involve several years of time for the District to resolve a case.

COMMITTEE HEARING

During a public hearing before the Judiciary Subcommittee of the committee on April 14, 1967, testimony was presented regarding the difficulties which may be involved under existing provisions of law, and the committee was advised of a specific case now pending which involves such elements of uncertainty as might be best resolved to the benefit of the District of Columbia through a compromise agreement which compromise would involve a reduction by an amount greater than $10,000. The bill requires that any such compromise in escheat cases must have the approval of the U.S. District Court for the District of Columbia. Such court supervision would simplify the problem of securing bond for the administrator, protect the administrator if issue is raised later by a dissatisfied party, and would protect the District government concerning any question that might be raised as to the propriety of the compromise.

No objections were voiced to the purpose and language of the bill. Accordingly, the committee finds that the proposed legislation is reasonable and desirable.

AMENDMENT OF DISTRICT OF COLUMBIA TRAFFIC ACT

The bill (S. 762) to amend the District of Columbia Traffic Act, 1925, as amended was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 762

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of paragraph (1) of subsection (a) of section 7 of the District of Columbia Traffic Act, 1925, as amended (sec. 40–301 (a) (1), D.C. Code), is amended (a) by striking "not in excess"; and (b) by inserting immediately before the period at the end of such sentence the following:

"*Provided,* That whenever the Commissioners or their designated agent find, on

the basis of medical evidence, that the physical or mental condition of an application for the issuance or renewal of a permit is such as to indicate the advisability of limiting to a period of less than three years the validity of any permit issued to such applicant, then the Commissioners or their designated agent are authorized to issue to such person one or more permits, each valid for a period of less than three years, except that during the three-year period beginning with the date of issuance of the first such permit, no additional fee shall be charged for the second and subsequent permit issued to such person within such three-year period, if the second or the last of such permits is not to be valid after the expiration of such three-year period".

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 338), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of S. 762 is to authorize the Board of Commissioners of the District of Columbia or their designated agent to issue and renew motor vehicle operator permits for periods less than 3 years whenever they find, on the basis of medical evidence, that the physical or mental condition of the applicant is such as to indicate the advisability of so limiting such permit.

NEED FOR THE LEGISLATION

Under existing law, motor vehicle operators' permits must be issued for a period of 3 years to applicants found mentally, morally and physically qualified to operate a motor vehicle safely. In the administration of the law, the Director of the District of Columbia Department of Motor Vehicles frequently finds it necessary to require applicants to undergo a medical examination to determine whether the applicant is physically and mentally qualified to drive a vehicle without jeopardy to the safety of other persons and property. Often, the Director, receives advice from private physicians or from the Department's Medical Advisory Board that while the applicant is presently qualified, his condition should be reviewed in 6 months, 1 year or 2 years. Where the permit holder willingly cooperates, there is no problem respecting such a review. At times, however, the individual is uncooperative and it is sometimes necessary to issue an order suspending his permit until proof of his qualification to drive safely is furnished the Department. Such an order is effective only if notice thereof can be served on the permit holder.

According to information provided the committee by the Commissioners, experience shows that some physicians are willing to certify to an applicant's qualifications for a period not exceeding 6 months, or 1 year, or some other period of time less than 3 years. S. 762 would enable a more effective handling of cases involving determinations respecting physical and mental qualifications of applicants for motor vehicle operators' permits by authorizing the issuance of the permit for a period to coincide with the period for which the applicant has received medical clearance. Upon application for renewal of their permits, the physical and mental qualifications of the holders of such limited term permits would be subject to reevaluation.

The present fee for the issuance of a 3-year motor vehicle operator's permit is $3. Under S. 762 this same fee would be chargeable upon the first issuance of a permit for a shorter period. However, the bill provides that there would be no additional charge for subsequent permits issued the same applicant and effective during the 3 years next following the date the first limited permit was issued.

COMMITTEE HEARINGS

At a public hearing held by the Judiciary Subcommittee of the committee on April 14, 1967, testimony was received in support of the bill and requesting its enactment. Representatives of the Board of Commissioners approved enactment of the bill. No one appeared in opposition to the bill.

AMENDMENT OF ACT TO PROVIDE ADDITIONAL REVENUE FOR THE DISTRICT OF COLUMBIA AND OTHER PURPOSES

The Senate proceeded to consider the bill (S. 763) to amend the act approved August 17, 1937, so as to facilitate the addition to the District of Columbia registration of the motor vehicle or trailer of the name of the spouse of the owner of any such motor vehicle or trailer which had been reported from the Committee on the District of Columbia with an amendment on page 2, line 5, after the word "trailer", to strike out the comma and "upon payment of a fee commensurate with the cost of providing such service, as the Commissioners shall from time to time determine and establish"; so as to make the bill read:

S. 763

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (d) of section 2 of title IV of the Act entitled "An Act to provide additional revenue for the District of Columbia, and for other purposes", approved August 17, 1937 (50 Stat. 680), as amended (sec. 40–102(d), D.C. Code), is amended by inserting immediately after the second sentence of such subsection the following: "If a motor vehicle or trailer be registered in the name of an individual, the name of the spouse of such individual may be added to the registration as a joint owner, subject to applicable provisions of law relating to the titling of the motor vehicle or trailer."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 339), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the reported bill is to amend subsection (d) of section 2 of title IV of the act entitled "An act to provide additional revenue for the District of Columbia, and for other purposes," approved August 17, 1937 (50 Stat. 680), as amended (sec. 40–102(d), D.C. Code), to permit an individual owner to add to the registration of a motor vehicle or trailer the name of the spouse of such owner, as a joint owner, without obtaining an entirely new registration with full fees. This would insure that one of the two persons so designated would, on the death of the other, be able to obtain immediate possession of the motor vehicle or trailer.

Existing law makes no provision for the addition of the name of a spouse to a registration during a registration year, thus necessitating the taking out of a new registration with full fees where an individual owner wishes to add the name of a spouse and no sale of all or a part of the motor vehicle or trailer is contemplated. The committee was advised that this requirement is a constant source of complaint by motor vehicle and trailer owners, and that most, if not all, of the States presently permit the addition of names to motor vehicle registrations.

COMMITTEE AMENDMENT

Your committee amended the bill to strike the requirement for payment of a fee for the addition of the name of a spouse to the registration of a motor vehicle or trailer. Your committee and the Commissioners feel that the present fee for the titling of a motor vehicle and the fee for the transfer of tags are sufficient to cover the cost to the District of adding the name of a spouse to a registration.

HEARING

At a public hearing conducted by the Subcommittee on the Judiciary on April 14, 1967, testimony in favor of this legislation was presented by spokesmen for the Board of Commissioners of the District of Columbia. No opposition was expressed to the enactment of the bill.

AMENDMENT OF THE DISTRICT OF COLUMBIA TRAFFIC ACT

The bill (S. 764) to amend section 6 of the District of Columbia Traffic Act, 1925, as amended, and to amend section 6 of the act approved July 2, 1940, as amended, to eliminate requirements that applications for motor vehicle title certificates and certain lien information related thereto be submitted under oath was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 764

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of subsection (d) of section 6 of the District of Columbia Traffic Act, 1925, as amended (43 Stat. 1121, 46 Stat. 1425; sec. 40–603(d), D.C. Code), is amended by striking ", under oath,".

SEC. 2. The first sentence of section 6 of the Act approved July 2, 1940, as amended (54 Stat. 737; sec. 40–706, D.C. Code), is amended by striking "under oath".

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 340), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of S. 764 is to facilitate transfers of motor vehicle or trailer ownership by eliminating present requirements that applications to the Director of Motor Vehicles for official certificates of title, and statements in such applications relating to liens, be made under oath.

NEED FOR THE LEGISLATION

Under present law when transferring title to a motor vehicle or trailer, it is necessary that the application for certificate of title be made under oath. Your committee was advised by the Department of Motor Vehicles that this existing provision has been the source of many complaints because of the inconvenience to owners and dealers in motor vehicles and trailers, by having to appear before a notary for each application. Those who

complain point out that many reports and forms including tax return forms no longer require a notary.

The Commissioners in recommending enactment of the bill believe the interest of the public will continue to be protected without the requirement that applications be made under oath in view of the fact that under the authority contained in subsections (c) and (d) of section 6 of the District of Columbia Traffic Act, 1925, as amended (sec. 40–603 (c) and (d), District of Columbia Code), the Commissioners have adopted a regulation, contained in section 2 of the Traffic and Motor Vehicle Regulations for the District of Columbia, providing among other things that the making of any false statement in any application or other document required by such regulations may subject the offender to punishment by a fine of not more than $300 or to imprisonment for not more than 10 days, or both such fine and imprisonment. This regulation, the Commissioners believe, will afford protection to the public after the words "under oath" have been stricken in the first sentence of subsection (d) of section 6 of the Traffc Act.

PREMARITAL EXAMINATIONS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 1226) to transfer from the U.S. District Court for the District of Columbia to the District of Columbia court of general sessions the authority to waive certain provisions relating to the issuance of a marriage license in the District of Columbia which had been reported from the Committee on the District of Columbia with amendments in line 3, after the word "That", to strike out "section 3", and insert "sections 3 and 6"; and in line 6, after "(80 Stat. 959)," to strike out "is", and insert "are"; so as to make the bill read:

S. 1226

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 3 and 6 of the Act entitled "An Act to require premarital examinations in the District of Columbia, and for other purposes", approved October 15, 1966 (80 Stat. 959), are amended by striking "United States District Court for the District of Columbia" and inserting in lieu thereof "District of Columbia court of general sessions".

The amendents were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 341), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of S. 1266, as amended, is to transfer from the U.S. District Court for the District of Columbia (hereinafter referred to as the "U.S. District Court") to the District of Columbia Court of General Sessions (hereinafter referred to as the "Court of General Sessions") the authority to waive the premarital blood test requirements of section 2 of the act of October 15, 1966 (80 Stat. 959) and the waiting period requirement of section 2 of the act of August 12, 1937 (District of Columbia Code, sec. 30–109) related to the issuance of a marriage license in the District of Columbia.

NEED FOR THE LEGISLATION

Public Law 89–493 approved July 5, 1966 (80 Stat. 263) transferred certain functions, including the issuance of marriage licenses within the District of Columbia and functions related thereto, from the U.S. District Court to the Court of General Sessions effective November 1, 1966.

However, under section 3 of Public Law 89–682 approved October 15, 1966, an act to require a laboratory blood test of parties contemplating marriage, with a view to ascertaining whether they are affected with syphilis in a communicable stage, the authority, under certain circumstances, to waive this requirement and the 3-day waiting period requirement between the application for and issuance of a marriage license established by section 30–109 of the District of Columbia Code, was vested in the judges of the U.S. District Court rather than the judges of the Court of General Sessions.

Thus, although under Public Law 89–493 the functions related to the issuance of a marriage license have been placed in the Court of General Sessions, under Public Law 89–682, the authority to waive the aforementioned related requirements now rests in the U.S. District Court.

The design of Public Law 89–493 was to place all functions related to the issuance of marriage licenses in the District of Columbia in the Court of General Sessions. The aforementioned waiver authority is an important part of those functions. S. 1226 is needed to transfer such authority to the court now charged with administering the marriage license laws.

COMMITTEE AMENDMENTS

The committee's recommended amendments are conforming amendments requested by the Board of Commissioners. The effect of the first will be to conform Public Law 89–682 to the purpose of the bill by effecting the same change in section 6 thereof as S. 1226 proposes in section 3; namely, the deletion from section 6 of the phrase "United States District Court for the District of Columbia" and the insertion in lieu thereof of "District of Columbia Court of General Sessions". The committee's second amendment is a word change required to conform the language of the bill to the committee's first amendment.

COMMITTEE HEARING

At a public hearing held by the Judiciary Subcommittee of the committee on April 14, 1967, a representative of the Board of Commissioners approved enactment of the bill, as amended. The Commissioners have also advised the committee that the chief judge of the U.S. District Court likewise favors the bill's enactment. No one appeared in opposition to the bill.

AMENDMENT OF DISTRICT OF COLUMBIA CODE WITH REFERENCE TO JUDGMENTS OR DECREES

The Senate proceeded to consider the bill (S. 1227) to provide that a judgment or decree of the U.S. District Court for the District of Columbia shall not constitute a lien until filed and recorded in the office of the Recorder of Deeds of the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia with an amendment on page 3, after line 24, to strike out:

SEC. 4. Section 552 of the Act of March 3, 1901 (D.C. Code, sec. 45–708), is amended by inserting immediately after the eleventh paragraph the following:

"The Commissioners may, after public hearing, increase or decrease the foregoing fees authorized to be charged by this section to such amounts as may, in the judgment of the Commissioners, be reasonably necessary to defray the approximate cost of rendering such services.";

So as to make the bill read:

S. 1227

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of subsection (a) of section 15–101 of the District of Columbia Code is amended to read as follows:

"Except as provided by subsection (b) of this section, every final judgment or final decree for the payment of money rendered in the—

"(1) United States District Court for the District of Columbia; or

"(2) District of Columbia Court of General Sessions—

when filed and recorded in the office of the Recorder of Deeds of the District of Columbia, is enforceable, by execution issued thereon, for the period of twelve years only from the date when an execution might first be issued thereon, or from the date of the last order of revival thereof."

SEC. 2. (a) Subsection (a) of section 15–102 of the District of Columbia Code is amended to read as follows:

"(a) Each—

"(1) final judgment or decree for the payment of money rendered in the United States District Court for the District of Columbia, or the District of Columbia Court of General Sessions, from the date such judgment or decree is filed and recorded in the office of the Recorder of Deeds of the District of Columbia, and

"(2) recognizance taken by the United States District Court for the District of Columbia, or the District of Columbia Court of General Sessions, from the date the entry or order of forfeiture of such recognizance is filed and recorded in the office of the Recorder of Deeds of the District of Columbia, shall constitute a lien on all the freehold and leasehold estates, legal and equitable, of the defendants bound by such judgment, decree, or recognizance, in any land, tenements, or hereditaments in the District of Columbia, whether the estates are in possession or are reversions or remainders, vested or contingent. Such liens on equitable interests may be enforced only by an action to foreclose."

SEC. 3. Section 15–311 of the District of Columbia Code is amended to read as follows:

"§ 15–311. Property subject to levy

"The writ of fieri facias may be levied on all goods and chattels of the debtor not exempt from execution, and upon money, bills, checks, promissory notes, or bonds, or certificates of stock in corporations owned by the debtor, and upon his money in the hands of the marshal or his deputy or other officer or person charged with the execution of the writ. A writ of fieri facias issued from the United States District Court for the District of Columbia or the District of Columbia Court of General Sessions upon a judgment entered in such court may be levied on all legal leasehold and freehold estates of the debtor in land, but only after such judgment has been filed and recorded in the office of the Recorder of Deeds of the District of Columbia."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 342), explaining the purposes of the bill.

There being no objection, the excerpt

was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of S. 1227, as amended, is to provide that the same recordation requirements shall apply to liens established by final judgments or decrees rendered, and recognizances declared forfeited, by the U.S. District Court for the District of Columbia, hereinafter referred to as the "U.S. District Court," and the District of Columbia Court of General Sessions, hereinafter referred to as the "Court of General Sessions."

NEED FOR THE LEGISLATION

At present, a final judgment or decree of, or a recognizance declared forfeited by, the Court of General Sessions does not become a lien on interests in real property until it is filed and recorded in the office of the Recorder of Deeds of the District of Columbia. However, the same recordation requirement does not apply respecting the final judgments, decrees, and forfeited recognizances of the U.S. District Court. Under present law, such judgments, decrees, and forfeitures become liens on interests in real property without any necessity for their recording elsewhere than in judgment docket of that court. Thus, a person desiring to determine whether a lien exists against a particular parcel of land must research both the records maintained in the office of the Recorder of Deeds of the District of Columbia and the judgment docket in the U.S. District Court.

The effect of S. 1227, as amended, will be to establish the same recordation requirements for the final judgments, decrees, and forfeited recognizances of both the U.S. District Court and the Court of General Sessions.

The land records of the District of Columbia are in the custody of and are maintained in the office of the Recorder of Deeds. The bill is intended to centralize the recordation in that office of liens affecting such land based on final judgments, decrees, and forfeitures rendered or declared by both of the courts. The bill is also intended to serve the public convenience by eliminating the present need to search two sets of records at different locations in order to determine whether such a lien exists.

To accomplish the foregoing objectives, the bill would amend sections 15–101, 15–102, and 15–311 of the District of Columbia Code to provide (1) that every final judgment or final decree for the payment of money rendered in the U.S. District Court shall be enforceable by execution thereon when filed and recorded in the office of the Recorder of Deeds of the District of Columbia, (2) that such judgments or decrees and each recognizance taken and forfeited by that court shall constitute a lien on interests in real property from the date it is filed and recorded in the office of the said Recorder of Deeds, and (3) that a writ of fieri facias (writ of execution) issued from the U.S. District Court upon a judgment entered in that court may be levied on such estates of the debtor in land only after the judgment has been filed and recorded in the office of the Recorder of Deeds.

THE COMMITTEE AMENDMENT

As introduced, section 4 of S. 1227 proposed an amendment to section 552 of the act of March 3, 1901 (D.C. Code, sec. 45–708), the effect of which would be to vest the Commissioners of the District of Columbia with authority to increase or decrease certain filing and other fees chargeable by the Recorder of Deeds of the District of Columbia at levels reasonably necessary to defray the approximate cost of rendering such services.

Under section 1 of the act of August 3, 1954 (D.C. Code, sec. 45–714), the Commissioners already possess such authority. Representatives of the Board of Commissioners have advised the committee that it is unnecessary to restate this authority in the present bill, and accordingly, the committee recommends that section 4 of S. 1227 as introduced be deleted in its entirety.

COMMITTEE HEARING

At a public hearing held by the Judiciary Subcommittee of the committee on April 14, 1967, testimony was received in support of the bill and requesting its enactment. Representatives of the Board of Commissioners approved enactment of the bill. No one appeared in opposition to the bill's enactment.

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar.

EXECUTIVE SESSION

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Adm. Thomas H. Moorer to be Chief of Naval Operations.

There being no objection, the Senate proceeded to consider executive business.

U.S. NAVY

The PRESIDING OFFICER. The clerk will state the nomination in the U.S. Navy.

The legislative clerk read the nomination of Adm. Thomas H. Moorer, U.S. Navy, to be Chief of Naval Operations in the Department of the Navy for a term of 2 years, pursuant to title 10, United States Code, section 5081.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BYRD of West Virginia. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER laid before the Senate a message from the President of the United States submitting the nomination of Thurgood Marshall, of New York, to be an Associate Justice of the Supreme Court of the United States, which was referred to the Committee on the Judiciary.

LEGISLATIVE SESSION

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

Mr. BYRD of West Virginia. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. MANSFIELD. It will not be a live quorum.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

GENOCIDE CONVENTION STILL NOT RATIFIED AFTER 18½ YEARS

Mr. PROXMIRE. Mr. President, it is now 18½ years since the General Assembly of the United Nations adopted the text of the Genocide Convention. On December 9, 1948, the United States was one of those countries who voted for the adoption of this significant landmark in the development of international law.

Millions of Americans will feel that an historic achievement has been registered if this convention, based on the grim experience of the colossal holocaust which martyred 6 million Jews in World War II, is at long last made part of the world's protection against a similar outbreak against humanity. I am convinced that the time is right, that the Senate should at long last ratify the convention.

The Genocide Convention declares the destruction of a national, racial, religious, or ethnic group to be an international crime. For those of us with memories of the Nazi era, the Nuremburg trials and the subsequent trials of Eichmann and other mass murderers, this is a bitter recollection, for the United States, the leader and the inspiration of the free world, has yet to ratify the Genocide Convention.

It was the United States which took the lead in helping to draft this convention and we were among the first to sign it. The U.S.S.R. and the Federal Republic of Germany have ratified it, along with many other nations; we have not.

As long as the specter of genocide continues to haunt mankind, this Nation has a basic international—and moral—obligation to assume the responsibilities of the convention. The United States has a long and proud history of moral leadership in defending and aiding oppressed peoples. Our Government has done so through official actions, and our people have done so singly and through organized voluntary groups.

It seems to me that the United States of America should be taking every opportunity to champion the rule of law in the conduct of nations. This commitment has cost us much in blood and treasure in the past. We can now give fresh vitality to our peace leadership and our moral leadership by ratifying without further delay the Convention on the Prevention and Punishment of the Crime of Genocide.

TRIBUTE TO CYRUS VANCE

Mr. McGEE. Mr. President, the Government, and in particular the Department of Defense, has lost a remarkably capable executive in Cyrus Vance, who is stepping down as Deputy Secretary of Defense.

As one who has observed Mr. Vance at work, here in Washington and "over there" in the Vietnam war zone, where I was privileged to accompany him on an inspection trip last year, I want to state my very high regard for this devoted public servant. He has been, as the Washington Post said in its editorial

columns Tuesday, an "extraordinarily competent official."

Mr. Vance was well known to Members of this body, Mr. President, before his association with the Department of Defense, having served capably as special council to the Preparedness Investigating Subcommittee of the Armed Services Committee and as consulting counsel to the Special Committee on Space and Astronautics prior to his appointment as General Counsel of the Department of Defense in 1961. Since then, Mr. Vance, whose active uniformed service during World War II was with the U.S. Navy, has been Secretary of the Army and Deputy Secretary of Defense.

In all of these positions, and as a practicing attorney prior to his entrance into Government service, Mr. Vance has been an articulate advocate, but never a carbon copy of his boss. He has been a thinking advocate whose contributions always have been real and substantive.

Mr. President, Cyrus Vance is, indeed, a hard man to lose, as the Post said in its Tuesday editorial, for which I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A HARD MAN TO LOSE

Secretary McNamara often spoke of his longtime Deputy, Cyrus R. Vance, as his alter ego, and to a remarkable degree, that is how it worked. Mr. Vance was as qualified as a number two man could be to take over from his chief, either in an emergency or as a permanent replacement, if the Secretary had, for one reason or another, moved on. To a considerable extent, the two men were interchangeable and Mr. Vance was ever the faithful advocate of established policy.

But to say that he was a carbon copy of his boss—a mere echo of Mr. McNamara's views—does not do justice to this extraordinarily competent official. While serving as a back-up man, he also brought his own special talents to the Pentagon. He was especially effective on Capitol Hill; he played an important role during the crisis in the Dominican Republic, a role which required some flair for diplomacy as well as for military matters; his touch as a civilian leader of military men was adroit.

And all this he managed to do tirelessly and cheerfully despite a painful back ailment which immobilized him for long stretches during his distinguished service over nearly seven years in one of the most taxing jobs in the Government. It is easy to understand the President's "deepest reluctance" at losing him. As Deputy Secretary, he will doubtless be ably replaced by Mr. Paul H. Nitze, a tested veteran of the Washington scene. As a devoted and talented official, he is the kind of man any government can ill afford to lose.

SORTING OUT POLITICAL REALITIES AMONG THE ARAB NATIONS

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD the insights of Columnist Joseph Kraft on the need for a sorting out of the political realities among the Arab nations of the Middle East before order and peace can be attained in the wake of the recent outbreak of violence and war in that quarter of the globe.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 13, 1967]

INSIGHT AND OUTLOOK—THE POLITICS OF ARABY

(By Joseph Kraft)

In rebuilding the Middle East, the first order of business is not "a peace of reconciliation," nor any of the other high-sounding themes dear to the capitals of the great world. The first order of business is a sorting out of political realities among the Arabs themselves.

A gale has swept across their world. Familiar structures have been weakened, and unknown possibilities laid bare. The general aspect is one of ruin and chaos—Troy after the seige. Still certain salient features are apparent.

President Gamel Abdel Nasser, despite the refusal of his resignation by the National Assembly, is in obvious difficulty. He had assigned to himself the role of messianic leader of an Arab revolution supposed to bring freedom, power and modern living to Islamic states ranging from the Arabian peninsula to the Atlantic. He has failed in that task.

For the time being, perhaps, he retains the support of the Arab masses. I see no reason to doubt the reports of massive pro-Nasser demonstrations in Egypt and other Arab states.

On the contrary, the Arab masses are more than ever bitter and disappointed. More than ever they need an heroic figure on which to project their frenzy. If anything, the monolatry of the Arab political desert is now heightened.

But Arab elites all over the world are a different story. They know who set them on the road to disaster. They know who collapsed under pressure. And they seem determined to assert the realities.

Thus Foreign Minister Adnan Pachachi of Iraq declared openly in the United Nations that the cease-fire accepted by Egypt was "an unconditional surrender." "Our greatest shock," a North African diplomat here said, "is what we discovered about Nasser. We discovered Nasser was not a Nasserite."

Dissatisfaction also seems to be working in Egypt, in the Egyptian army in fact. At first, in the inner councils of the regime, President Nasser and his great friend, Commander-in-Chief Abdel Hakim Amer apparently argued against any precipitate acceptance of the cease-fire.

But the active service chiefs of the Army, Navy and Air Force insisted that Egypt was beaten and that Nasser and Amer had to accept the consequences. Their arguments apparently carried the day. Nasser and Amer accepted the cease-fire. Sensing that their power base in the army was on the wane, they resigned.

The popular demonstrations have now restored Colonel Nasser. And he has reasserted his position in the army by forcing the resignation of the service chiefs. But among the younger army officers, among those who know how they were out-generaled and outgunned, all is not well.

They are apparently ready to abandon the dreams of Arab revolution in favor of building up their own country—an Egypt-first program. And as leader of that program they apparently can look at Vice President Zakaria Mohieddin, to whom Nasser tentatively ceded the presidency last week.

What will emerge from the interplay of these popular and elite pressures is not yet clear. Perhaps, Colonel Nasser will himself move toward a more moderate, pragmatic position. He may yet be forced from power. In that case, there would surely develop a surge of intense left-wing feeling throughout the Arab world.

In any case, time is required for a sorting out of pressures. The more so as with time, the frenzy of the Arab masses can abate, making it possible for rulers to work out more moderate policies.

With so much so fluid, there is going to be mounting pressure on the United States to get in the game. The woods here are full of officials who are not above nibbling at Israel in order to patch up ties with the Arabs.

But, in fact, there is not much the United States can usefully do in the Middle East just now. Anyone Washington tries to help will surely be hurt in the long run. The American interest is to stand aloof from the area itself, while working out with the Soviet Union the kind of understanding—particularly in limiting arms shipments—which can prevent the costly mistakes made in the past under the sign of cold war competition.

THE SOVIET UNION'S SUPERSONIC AIRLINER

Mr. CANNON. Mr. President, on June 13, the United Press International carried a dispatch from Moscow stating that the Soviet Union expects to fly a supersonic airliner within a few months. The newspaper, Evening Moscow, indicated that a test flight for the Russian TU–144 will occur this year. I am asking that this UPI dispatch be included in the RECORD at this point.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

Moscow.—The Soviet Union's supersonic airliner will be test-flown "within a few months," a Moscow newspaper said today.

Soviet planemakers are believed to be racing to get their supersonic TU–144 into the air before the British-French Concorde or the American Boeing 2707.

The Concorde is scheduled to be test-flown next February, and the 2707 is to get off the ground sometime in the indefinite future.

The newspaper Evening Moscow said the TU–144 will fly "within a few months," indicating a test flight may be planned for this year.

Mr. CANNON. I recently returned from attending the Paris Air Show representing the Senate Armed Services Committee, where it was most evident that this country's leadership in aviation is seriously being challenged, particularly in the field of supersonic aircraft development.

At the Air Show the British-French had a full-scale mockup of the Concorde, their supersonic jet which is scheduled to fly in early 1968. The Russians also had models of their TU–144, which will be in the air considerably before the U.S. supersonic transport.

On May 1, 1967, contracts were signed with the Boeing Co. and General Electric Co. to begin prototype construction of the U.S. supersonic transport. Congress is now considering an appropriation request of $198 million to proceed with the construction of this plane. Already this country is from 3 to 3½ years behind the time the Concorde and the TU–144 will enter into commercial service.

The supersonic transport is an important program from a number of standpoints. It is the next logical step in the development of aviation technology. It will help retain our world leadership in this field. Through the SST, nations of the world will be brought closer together. Our balance-of-payments position will be strengthened. Ap-

proximately 50,000 jobs will be created. A production program will mean from $20 to $40 billion in the economy. I believe it is imperative that this country proceed with the construction of a supersonic airliner which will be a safe, superior, and economically profitable plane. This is an arena of industrial competition in which the United States cannot afford to finish second.

MR. JUSTICE MARSHALL

Mr. KENNEDY of New York. Mr. President, President Johnson's nomination of Thurgood Marshall to our Nation's highest Court is an excellent one. He will serve with honor and distinction. Judge Marshall brings with him to the Supreme Court an intimate knowledge of Supreme Court litigation, based upon long experience. As counsel for the legal defense fund of the NAACP, he appeared before the Court frequently, arguing for the constitutional rights of Negro Americans—and really of all Americans—in literally dozens of cases which became landmarks in our judicial history. I was pleased, as Attorney General, to have the opportunity to recommend his appointment to President Kennedy as a judge of the U.S. Court of Appeals for the Second Circuit, where he served so well. And he comes to the Supreme Court fresh from his outstanding work as the chief appellate lawyer for the United States. His experience, then, is that of both bench and bar—unique preparation for the tasks which now await him.

To Negro Americans, Thurgood Marshall is a symbol of their struggle for justice, for equal rights before the law. To all Americans he is a symbol of advocacy for rights which we all hold dear. And as an experienced appellate lawyer and judge, he will be a valuable addition to our most respected tribunal.

LEAP

Mr. KENNEDY of New York. Mr. President, we in New York City have observed with interest the operation of a project called LEAP—the Lower East Side Action project. Over the last few years LEAP has had remarkable success working with young people—delinquents and dropouts on whom others had given up—winning their confidence and getting them reinterested in the educational process. For the past year LEAP has had a grant from the Office of Juvenile Delinquency at the Department of Health, Education, and Welfare and was under the impression that the funds would be continued for another 6 months. Fiscal difficulties developed at HEW, and it appears that LEAP may not be re-funded. Edward P. Morgan did an interesting report on LEAP last week on his radio show, which is, I think, of interest to the Senate. I, therefore, ask unanimous consent that it be inserted in the RECORD at this point in my remarks.

There being no objection, the text of the radio broadcast was ordered to be printed in the RECORD, as follows:

EDWARD P. MORGAN AND THE NEWS

NEW YORK, June 8, 1967.—This, obviously, is not Leap Year. Nor does it seem to be the year for LEAP, whose initials stand for Lower East Side Action Project, a tiny pilot plant of human commitment to freeing the children of the poor from the trap of poverty, deprivation and ignorance. LEAP is housed in a dilapidated tenement at 44 East Third Street here in New York City. It has been kept alive by an extraordinary young man and his wife, Larry and Michelle Cole. He is a 30-year-old psychologist who for a while worked nights on drug research for the National Institute of Mental Health. Michelle had a job in the Manhattan office of Playboy Magazine. But their lives and those of 15 staff members of LEAP have become intimately entwined—full time—since 1962 with the existence of the neighbors around East Third Street, many of them Puerto Rican youngsters who, except for the LEAP project would have already plunged into the wreckage of forgotten people.

In some respects LEAP has been cursed by its own success. It has been so unorthodox in its approach to education and its results have been so spectacular in individual cases, that the project is regarded with suspicion by the bureaucracy of government and with hostility by the police. The result is, combined, apparently, if indirectly, with the voracious pull of war demands in Vietnam on the federal budget, that LEAP faces the end of the road because $58,000 counted on from the Department of Health, Education, and Welfare to carry it on for one half year from this month is not available.

There are two official explanations, both of them maddening. One is that HEW's office of juvenile delinquency, an operation stemming from the Kennedy Administration, is being "phased out." A broader operation is needed but—surprise, surprise!—there has been no legislation passed providing for any. The other is the gargly logic of bureaucracy to the effect that in order to merit government support projects have to generate knowledge that may be translated to other projects and LEAP may not fall in that category because its success is attributed largely to the drive and dedication and charisma of one man, Larry Cole.

But editor James Wechsler, who in a journalistic sense has sort of adopted LEAP, has observed in his column in the New York Post that with some diligent hunting, the equivalent of Cole and his staff should be found elsewhere. The problem, as Wechsler writes, is to cut through the inevitable resistance of vested interests and simple minds to any serious reform.

About 100 kids are "members" of LEAP. Fifteen of them are project students. They are all street people, 12 to 18 years of age. They were dropouts from school and society, some had been pushing or using dope. This made them, inevitably, the targets of the police. On May 31, New York Fire Department brass suddenly visited LEAP's slum digs. Although nobody had declared it a fire hazard for four years, the firemen brass didn't like what they smelled, the language they heard, or the pop art on the walls. They left a six-hour vacate notice behind. Then the Board of Education took a sudden interest, ruled the 15 project students had to be back in school on a Monday. On March 24, 1966, New York Post Editor Wechsler had reported an incident in which four plainclothesmen beat up two boys on their way from a tenants' group meeting to the LEAP center.

But Mayor John Lindsay's city administration is slowly, painfully, injecting some humanity into the public services of the metropolis. The Fire Department order was reversed, the Board of Education relented with the qualification that better quarters had to be found next fall, the police-community relations are receiving attention.

The urgent need now is cash. Last year HEW gave LEAP $80,000; another $70,000 came from private sources. In the four previous years, LEAP lived on $60,000 of donations. The Coles have spent $20,000 of their own money, not counting their time. Somebody has figured out that the $58,000 LEAP needs to keep from being crippled for the next 6 months is equivalent to the cost of the war in Vietnam for 60 seconds.

LEAP's teenagers are given meals, medical care, clothes, psychological tests. One eighth grade boy was found to be blind in one eye. His school had discovered nothing of his handicap though treatment in time would have saved his eye. The 15 full time students were all complete failures in New York schools. Their response to Cole's methods of winning their confidence in teaching have been astonishing. Their minimum progress after one year of full time reading and other instruction has been the equivalent of two school years.

A University of California criminologist who visited LEAP found the youngsters "hostile" to the police. Cole doesn't like to talk about himself or his methods but he has remarked, "we aren't Boy Scouts, you know."

HEW officials are frankly embarrassed about the fact that while LEAP has been rated high in performance it is too low in priority to get any more funds. Government officials, of course, aren't Boy Scouts either, but somebody ought to be found in the Great Society with enough sensible generosity to do LEAP, and the country, a good turn.

This is Edward P. Morgan saying good night from New York.

SENATOR RANDOLPH COMMENDS WASHINGTON POST COMMENT ON FELLOW WEST VIRGINIAN—DEPUTY SECRETARY OF DEFENSE VANCE—"A HARD MAN TO LOSE"

Mr. RANDOLPH. Mr. President, a distinguished American is departing his official Government post—Deputy Secretary of Defense Cyrus Vance has submitted his resignation and the President has accepted it with "deep reluctance."

Our Nation has benefited from the outstanding leadership and the dedicated service of Secretary Vance in this vital position. He has served with distinction in a period of turbulence and world crisis.

West Virginians are particularly gratified by the achievements of Secretary Vance, for he is a native of Clarksburg, located in the central part of our State. As recently as last Friday evening, we expressed tribute to this esteemed public servant when the West Virginia Society of the District of Columbia presented him with the annual Son of the Year Award.

The Washington Post editorialized today on the contributions and the service of Secretary Vance, declaring that he is "a hard man to lose." It is a cogent analysis of Secretary Vance's role in running the Defense Department and in a decisionmaking process which affects the entire world.

Mr. President, I ask unanimous consent that the editorial, "A Hard Man To Lose," be printed in the RECORD.

[The Washington Post, Tuesday, June 13, 1967]

A HARD MAN TO LOSE

Secretary McNamara often spoke of his longtime Deputy, Cyrus R. Vance, as his alter ego, and to a remarkable degree, that is

how it worked. Mr. Vance was as qualified as a number two man could be to take over from his chief, either in an emergency or as a permanent replacement, if the Secretary had, for one reason of another, moved on. To a considerable extent, the two men were interchangeable and Mr. Vance was ever the faithful advocate of established policy.

But to say that he was a carbon copy of his boss—a mere echo of Mr. McNamara's views—does not do justice to this extraordinarily competent official. While serving as a back-up man, he also brought his own special talents to the Pentagon. He was especially effective on Capitol Hill; he played an important role during the crisis in the Dominican Republic, a role which required some flair for diplomacy as well as for military matters; his touch as a civilian leader of military men was adroit.

And all this he managed to do tirelessly and cheerfully despite a painful back ailment which immobilized him for long stretches during his distinguished service over nearly seven years in one of the most taxing jobs in the Government. It is easy to understand the President's "deepest reluctance" at losing him. As Deputy Secretary, he will doubtless be ably replaced by Mr. Paul H. Nitze, a tested veteran of the Washington scene. As a devoted and talented official, he is the kind of man any government can ill afford to lose.

RECESS UNTIL 10 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, if there is no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 10 a.m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 3 minutes p.m.) the Senate took a recess until tomorrow, Wednesday, June 14, 1967, at 10 o'clock a.m.

NOMINATION

Executive nomination received by the Senate, June 13 (legislative day of June 12), 1967:

U.S. SUPREME COURT

Thurgood Marshall, of New York, to be an Associate Justice of the Supreme Court of the United States.

CONFIRMATION

Executive nomination confirmed by the Senate June 13 (legislative day of June 12), 1967:

U.S. NAVY

Admiral Thomas H. Moorer, U.S. Navy, for appointment as Chief of Naval Operations in the Department of the Navy for a term of two years pursuant to Title 10, United States Code, Section 5081.

EXTENSIONS OF REMARKS

Freedom for Baltic States

EXTENSION OF REMARKS
OF
HON. H. ALLEN SMITH
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 13, 1967

Mr. SMITH of California. Mr. Speaker, this week, on June 15, marks the 27th anniversary of the Soviet Union's takeover of the Baltic States, Lithuania, Latvia, and Estonia, by force of arms. For 27 years, the unfortunate peoples of these countries have been enslaved by the despots of the Kremlin, and many thousands of them have been exterminated or exiled to Soviet slave-labor camps in Siberia and other places in Communist Russia.

Throughout this time, Lithuanian, Latvian, and Estonian refugees in our own country have toiled tirelessly and unceasingly in bringing the plight of their former countrymen to our attention. They are zealously dedicated to the cause of a return to freedom for their mother countries.

Mr. Speaker, Lithuania, Latvia, and Estonia have a right to be free and independent, as they were for centuries before the Soviet occupation on June 15, 1940.

The United States demands freedom for all nations and peoples in Africa and Asia. We should do no less with respect to Europe. The Baltic States are more than 700-year-old nations and certainly have at least as much entitlement to freedom and independence as does any new country in any part of the world. The United States must not have a double standard for freedom with respect to any nations or peoples on the face of this earth.

The situation in the Baltic States becomes more intolerable with the passage of time. This is because exterminations and deportations still continue and there is a real danger of eventual decimation of the nationals of these countries, accompanied by ever-increasing occupations of the lands by people from the Soviet Union.

The people of the Baltic States and their relatives in our country are waging an heroic fight for freedom. They deserve the full sympathy and support of all freedom-loving Americans.

The Johnson Administration War on Poverty Is Going Ahead Full Throttle

EXTENSION OF REMARKS
OF
HON. JACK BROOKS
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 13, 1967

Mr. BROOKS. Mr. Speaker, the annual battle against the Johnson administration's war on poverty is now underway. Once again the Republicans are trotting out their blunderbuss, taking wild potshots at everything our administration is doing to help our Nation's poor.

We have all heard these Republican laments many times before. It is the same sullen cry of defeatism, blind obstruction, and disregard of the people's welfare that they have been preaching since the days of Calvin Coolidge.

I am used to these Republican complaints. But I must say that I am surprised by some of the criticisms voiced by members of our own party that allege that the Johnson administration has not done enough for the poor.

These critics should know better. The record shows that we are spending 27 percent of all Federal cash payments—not including our national defense—on programs to help poverty-stricken Americans.

I think that most Americans would agree that $25 billion a year is not a piddling amount in any league. And that is the amount—$25.6 billion to be precise—that this Democratic Congress, as part of the Johnson administration, is spending in fiscal 1968 on a broad range of programs to help the poor.

These programs represent President Johnson's determination to combat poverty in ways that are most effective and meaningful to those citizens who are unable to share in our national prosperity. It represents this Congress' determination to program and fund these vital efforts. Included in these programs is the Office of Economic Opportunity, social security, public assistance, education, health benefits, employment and retraining, regional economic development, school lunches, and various food distribution programs.

No administration, no Congress has done more to help the poor. And certainly no administration has been more effective.

Today, we are spending 13 times more than we did in 1963 to provide sound educational programs for poor children. Health expenditures have quadrupled during this same period, and cash payments to the poor are up 40 percent.

These statistics clearly support the fact that President Johnson is pushing ahead to meet our commitment to the Nation's poor. The President has not retreated from this fight. He has clearly indicated that we in this Nation and in this Congress aim to eradicate poverty and the forces which perpetuate these social and economic inequities. And we shall continue this battle until it is won.

There is simply no justification to the charge that the Johnson administration has reneged on its commitment to the war on poverty. The facts—and indeed, the figures—prove otherwise.

President Johnson was the first Chief Executive in our history to declare an all-out war on poverty. Our programs are winning the first rounds in this difficult struggle and we are not going to quit before we have barely begun.

Let us not be misled by those sowing seeds of doubt or dissent: The war on poverty will continue to enjoy strong support and high priority as long as Lyndon B. Johnson is our President.

This is a fact. And any other speculation is misguided and false.

Mr. Speaker, I insert into the RECORD

a breakdown of estimated Federal expenditures for the fiscal years 1960 through 1968 that will document the full extent of the Johnson administration's resolve to wage war on poverty on every meaningful front:

Estimated Federal funds for programs assisting the poor, fiscal years 1960–68

[Administrative budget and trust funds, billions of dollars]

Category	1960 actual	1963 actual	1966 actual	1967 estimate	1968 estimate
Education and training:					
HEW:					
Elementary and Secondary Education Act of 1965			1.0	1.1	1.3
Other	0.1	0.2	.5	.7	.7
OEO–NYC, Job Corps, CAP, etc.			.7	.9	1.3
Labor–MDTA, etc.		(1)	.1	.2	.3
Interior	.1	.1	.1	.1	.1
VA	.1	(1)	(1)	.1	.1
Subtotal	.3	.3	2.5	3.1	3.8
Health:					
HEW:					
Health insurance for the aged and disabled (HI and SMI)			(1)	1.4	1.7
Public assistance medical care	.2	.4	.7	1.0	1.2
Other	.2	.3	.6	.7	.8
VA–Hospital and domiciliary care	.3	.4	.4	.4	.4
OEO–CAP, etc.			.1	.1	.1
Subtotal	.7	1.0	1.8	3.6	4.2
Cash benefit payments:					
HEW:					
OASDI	4.0	5.3	6.8	6.8	8.5
Public assistance	1.8	2.3	2.8	2.9	3.0
Railroad retirement	.3	.3	.3	.3	.4
Labor–Unemployment benefits	.5	.6	.4	.4	.4
VA–Compensation and pensions	1.6	2.0	2.3	2.4	2.4
Subtotal	8.3	10.4	12.7	12.8	14.6
Services, economic and community development, etc.:					
Agriculture:					
Food programs	.2	.3	.4	.4	.5
Other	.2	.3	.5	.3	.2
Commerce: EDA and Appalachia		.1	.2	.3	.2
OEO: CAP and other			.6	.6	.6
HEW: VRA, WA, etc.	(1)	.1	.1	.1	.1
HUD:					
Public housing and rent supplements	.1	.1	.1	.2	.2
Urban renewal and other	.1	(1)	.3	.3	.8
Interior: Services to Indians, etc.	.1	.2	.2	.2	.3
Labor: Employment, youth and other services	(1)	.1	.1	.2	.1
SBA: Economic opportunity loans					
Subtotal	.7	1.2	2.6	2.5	3.1
Total:					
Administrative budget	5.1	6.8	11.8	13.0	14.6
Trust funds	4.9	6.2	7.7	9.1	11.1
Grand total	9.9	13.0	19.6	22.0	25.6

[1] Less than $50,000,000.

Note.—Figures may not add because of rounding.

Congressman Horton Calls for Meaningful and Permanent Peace in the Middle East

EXTENSION OF REMARKS

OF

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1967

Mr. HORTON. Mr. Speaker, on Thursday, June 8, Mrs. Lester J. Berlove, chairman of an emergency meeting of the Rochester Jewish Community to raise funds for Israel through the United Jewish Appeal, invited me to speak at that meeting. I was committed to participate in hearings of the Select Committee on Small Business in Utah and Kansas and was not able to accept this invitation.

However, I did prepare a statement for the Rochester meeting, which Mrs. Berlove was kind enough to read in my absence. I should like to share with my colleagues the text of my statement on that occasion:

STATEMENT OF CONGRESSMAN HORTON, PREPARED FOR DELIVERY AT EMERGENCY COMMUNITY-WIDE MEETING OF THE ISRAEL EMERGENCY FUND OF THE UNITED JEWISH APPEAL, TEMPLE BETH EL, ROCHESTER, N.Y.

It has been ten days since I addressed the emergency session of the Jewish Community Council by long-distance hook-up at Temple B'rith Kodesh. Much has happened since those tense days of concern for the lives and future of the Israeli people. In these ten eventful days we have learned two very important lessons:

First, that when the chips are down the people and government of the State of Israel are quite capable of standing on their own two feet in defense of their children and their future.

Second, that the United Nations, once the hope of the world at its creation, must travel a long, hard road back to regain the respect of peace-loving peoples, and to regain some measurable degree of effectiveness in solving international conflicts.

Those of you who watched or heard Tuesday evening's session of the Security Council, heard Abba Eban's words citing the widespread concern and support for the safety of Israel which swept the world during this crisis. Part and parcel of the support Mr. Eban was talking about was the kind of outpouring of spiritual, material and political support which has occurred in our own community of Rochester.

Your presence here tonight, the unprecedented gathering of 3,000 people at B'rith Kodesh, and similar meetings throughout the world, demonstrated to Israel, to the Arabs and to other potential military adversaries of Israel where the hearts of America really lie in this crisis. I think you would agree that these outpourings of sympathy and support suggest ties which are far stronger than any that can be described as "neutral in thought, word and deed."

Despite the unfortunate confusion in American policy statements earlier this week, I think that the Soviet Union, particularly, was convinced of our firm and standing commitment to come to the aid of Israel should the life or territory of that nation become imperiled. As I told the representatives of the Rochester Zionist Council and the Jewish Community Council yesterday in my Washington office, I believe that there is a definite parallel between Viet Nam and our commitment to the Middle East. On the one hand, the Arabs and the Russians hoped that we would avoid involvement in the Mid-East at all costs, in an effort not to overextend our military resources. On the other hand, however, during every moment of the fighting in the Mid-East, our presence in Viet Nam has stood as a living and breathing example that America stands behind her commitments and her word. The fact that we have precluded any military success for the Communists in South Viet Nam speaks loudly in the ears of those who would risk tampering with the territory and political integrity of Israel, to which we are also strongly committed. I do not say this in defense of the Viet Nam war, but only point it out as a significant factor which must have lingered in the minds of those who might have answered Arab cries for help.

Fortunately, Israel's military superiority made unnecessary any world-wide conflagration over the Middle-East. But without the additional deterrence of the firmness and the potential firmness of United States international commitments, the risk of such a conflict would be far greater.

In the face of Israeli successes, our Government and the United Nations must look toward permanent solutions to the situation which are more acceptable than the solutions arrived at after the Suez crisis 11 years ago. No one can expect Israel to relinquish its hard-earned successes without far-stronger assurances and conditions in her favor. No one can expect Israel to again leave her access to Africa and East Asia through Eilat subject to the whim of a hateful Arab dictator, or even to the whim of an official of the United Nations. Free international passage through all waterways in the area must be guaranteed to all nations, including the State of Israel.

Further, the perennial trouble spots in the Israel border areas must be re-examined. The populous Gaza enclave, teeming with Palestine refugees; the divided city of Jerusalem and the Syrian hilltops overlooking the kibbutzim of Galilee must all be scrutinized in view of the events of the past few days.

One fact is crystal clear to me. Israel can suffer no loss as the result of any cease-fire agreement or peace settlement. Having faced three times in the last 20 years, the aggressive encirclement of hostile Arab forces, having twice been aggressively excluded from the

use of crucial international waterways, Israel cannot, and I venture, it will not agree to be placed in a position where this tragic history can repeat itself again.

A great people and a great country has given everything it has this week to assure democracy in the face of the most serious aggression any country and its people has ever been called upon to face. Israel and her people have faced the test and won the victory. You in Rochester tonight are called upon to make a sacrifice to help those who plunged ahead. I urge each of you to do all you can within your means so that you can contribute and be a part of these great people and this great country of Israel.

The Problems of Business and Government

EXTENSION OF REMARKS
OF
HON. GEORGE A. SMATHERS
OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 13, 1967

Mr. SMATHERS. Mr. President, a few weeks ago a conference was held in Bermuda by a most distinguished and representative group of successful financiers from New York City and surrounding areas. The purpose of the meeting was to discuss the Nation's economy, its problems, its relationship to Government, and its future. Among the distinguished speakers was Dr. Paul McCracken, former Chairman of the Board of Economic Advisers to President Eisenhower, and our own most knowledgeable and capable chairman of the Committee on Commerce, Senator WARREN G. MAGNUSON. As a fellow Senator, I was most proud to sit in the audience and listen to the senior Senator from Washington, my former chairman, lucidly and eloquently speak to this select group from the business community about the problems, not only of his committee with business, but the problems of the Government itself in seeking solutions to business problems and in fostering continued growth of business in our free enterprise system.

Regrettably, no record was made of the questions directed to Senator MAGNUSON and of the lucid and understanding answers with which he responded. However, I do have the text of his preliminary remarks, and I know that all Members of Congress would be benefited greatly by reading what this very wise man had to say. Therefore, Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the speech recently delivered by Senator MAGNUSON.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE SENATE COMMERCE COMMITTEE: A MEETING GROUND, NOT A BATTLEFIELD

Set in several niches in the walls of the Commerce Committee hearing room in the New Senate Office Building are models and exhibits symbolizing the Committee's jurisdiction. Taken together, they form a colorful backdrop for the almost infinite variety of Committee responsibilities.

Not surprisingly, the greater number represent modes of transport, both ancient—a square-rigged merchantman and a vintage steam locomotive—and modern—a passenger jet, a diesel locomotive, a great overland truck transport, and a trim replica of the nuclear merchant ship *Savannah*.

Other exhibits remind us that the Committee's jurisdiction extends to the interstate transportation not only of goods and people but, also, of words. So this modest collection necessarily includes a replica of the first telegraph key, an early network microphone and a glittering communications satellite.

The life and commerce of the oceans is richly represented: a 19th-century fishing schooner, with each carved fisherman standing in a wooden barrel lashed to the deck, secure from being washed overboard by an errant wave; and mounted fish from the great fisheries—a silver salmon from the Pacific, red snapper from the Atlantic, whitefish from the Great Lakes, and an enormous gulf shrimp.

These traditional matters continue to engage the energies of the Committee, whether in hammering out a legislative solution to a railroad work rules dispute, seeking an equitable and coherent national transportation policy—exploring measures to revitalize a weakened domestic merchant marine, or even ministering to the sorry plight of a South Carolina shrimper who, having purchased a derelict hull for a song, labors long and lovingly to rebuild it, only to discover that the vessel, having initially been constructed in Nova Scotia, is ineligible to engage in the U.S. fisheries.

But the work of the Senate Commerce Committee in the seventh decade of the 20th century ranges far afield from these time honored responsibilities: Satellite communications, the electric car, the meaningful dissemination of industrial technology, oceanographic research to meet the challenge and promise of the ocean's resources. And finally we find ourselves increasingly occupied with what some call consumer's rights and others dub "consumerism"—automobile and tire safety, cigarette labeling and advertising, protection against unsafe toys, confusing packaging and labeling, flammable fabrics, gas pipelines.

The other day at Hot Springs, Virginia, Charles G. Mortimer, of General Foods, keynoted the opening session of the Business Council by calling for 100% business opposition to anything Washington proposes which tampers with the free enterprise system.

I suppose, as a representative of Big Government, with the opportunity to keynote this smaller but no less distinguished assembly, I should counsel you with equal vigor to submit meekly to the Federal chopping block, and recognize humbly that Washington is the depository of all wisdom. Well, I'm not going to do that.

But I am troubled by Mortimer's attack, not so much because of the free enterprise solution which he offers to the nation's problems, but because he seems to deny the very existence of the problems. The failure of the automobile industry to subordinate styling to safe design was not a figment of Congress' imagination. Henry Ford has acknowledged it and others in the industry quietly and privately now grant that the safety law was needed to set the ground rules for competition which did not subordinate safety.

At the same time, there is a disturbing tendency in some government circles to believe that the problems which we now face are the creations of business, and that harsh and punitive restrictions are the true solution. But exploding population, air and water pollution, urban chaos, cultural, as well as economic poverty, are products of the same underlying dynamic forces which have given us a great abundance and technological preeminence. We also face what the social scientists call the "shifting pattern of social demand"—the growing sophistication and impatience of the affluent citizens as consumer and voter.

Very simply the problems which now face us are the products of change. The fact is that neither business nor government going it alone can control the forces unleashed by such products of modern technology as nuclear power, satellite communications, exploitation of space, development of the supersonic transport, the fourth generation of digital computers and integrated transportation systems. Business, government, the universities, must all combine to the utmost their talents and resources if we are to reach the goals which such technology promises.

During the last several years we have tried to make the Senate Commerce Committee serve as a forum, not for the confrontation of hostile forces, but for the forging of new efforts based upon mutual interest—a meeting ground, not a battlefield.

Thus, the Committee which produced the Packaging and Labeling Law is the same Committee from which COMSAT was born. The Senate Commerce Committee is necessarily faced with forging solutions to social problems. But we are not less concerned with seizing those opportunities which can only be realized through the combined resources of business and government. COMSAT is perhaps a far more monumental Committee product than the Auto Safety or Packaging Laws.

No one in public life can fail to be aware of the growing social concern of the business community. No longer is a company's sense of social obligation limited to passing the hat at Community Chest time—when the American Plywood Association invests capital and resources in slum rehabilitation, when General Electric, RCA, Philco, IBM etc. breathe life into Job Corps centers, and the large corporations headquartered in New York initiate a new partnership to bridge the no-man's land of indifference between Wall Street and City Hall.

Let's take a modest example of this new spirit as it affects a matter now before the Commerce Committee. Probably no single issue has generated so massive a flood of mail to the Committee as warranty service problems. Initially, as we began to focus on this problem, we found evidence of misleading and confusing representations which led inevitably to consumer dissatisfaction. Early this year, we suggested the need for new legislation to require the uniform disclosure of the basic terms and conditions of guarantees and warranties. Yet, as we dug deeper into these problems, as we began to confer with the businesses affected, we began to see that what we had was not basically a disclosure problem, but a servicing problem. On a Saturday morning, the President of one of the largest corporations in America, on his own initiative, came to see the staff of the Committee to talk about the servicing problem, and what his company was attempting to do to meet that problem. When he was through, the staff reported to me that they saw the problem in a new light. They were convinced of the good faith and determination of the company to service the products it sold to the utmost of its ability. And out of that meeting has come a new effort to tap federal resources to aid rather than regulate the industry in meeting its needs. For example, to look to the National Bureau of Standards for assistance in developing new diagnostic equipment for locating product defects or to strengthen vocational training programs to attract and train sufficient mechanics for the demand.

Again, early this year, the Commerce Committee held extensive hearings on the future of the electric car. Last year, Secretary of HEW Gardner vowed that government and industry were on a collision course on vehicular pollution. But I see one role of the Commerce Committee as averting such collisions. It is my feeling that out of those hearings there has grown a determination

on the part of both industry and government to work together in developing the technology to solve the problem, rather than to polarize government and business for the next round of debate.

This new spirit is nowhere more evident than in the growing concern of industry in the safety of its own products. The proposal which we made last year, and which the President is now strongly endorsing, to establish a National Commission on Product Safety is a case in point. This Commission would conduct a comprehensive study and investigation of the extent to which the unsafe design of household products constitutes a significant public health problem and a review of the scope and adequacy of present safeguards against the sale of hazardous products. The proposal for the Commission has been welcomed and openly endorsed and supported by industry, just as industry has done much to eliminate hazards from its products.

It has as its concern not only the protection of consumers against unreasonable hazards stemming from the unsafe design of household products but the protection of manufacturers and retailers against burdensome and conflicting regulation. Too often states and localities, and the Federal Government as well, have reacted hastily to a consumer problem illuminated by a tragic event such as a fire or explosion, enacting legislation which goes far beyond curing the problems to which it was directed and causes needless and useless burdens on industry. We must be equally concerned with eliminating this legislative "over-kill."

Our efforts, however, will not be limited to the shaping of new laws and the doctoring of old laws. We are actively exploring with business representatives new ways in which we can communicate with each other more clearly and freely. We are now exploring with industry representatives the possibility of establishing voluntary national, industry-wide *Ombudsmen*: industry-designated representatives to whom complaints can be directed on the national level, just as the Better Business Bureaus act as business *"Ombudsmen,"* on the local level.

Although it appears to some critics that the politicians have dug up the consumer as a political "mother lode," I want you to know that those of us who are concerned with, and responsible for, legislation affecting the consumer are not prepared to bury business in the empty hole.

Gilbertville Water Supply System

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 13, 1967

Mr. PHILBIN. Mr. Speaker, with the help of a grant from the Farmers Home Administration, Gilbertville, Mass., in my district recently completed construction of its new ground water supply system, thereby assuring its residents an adequate water supply for many years to come.

Gilbertville is one of the first Massachusetts communities to benefit from this kind of Federal grant made available under a special program of the Farmers Home Administration to provide grant and loan assistance to rural areas for the development of water systems and waste disposal plants.

I want to commend and congratulate the Government officials and civic leaders of this outstanding community for their perseverance and foresight in bringing this badly needed project to a successful completion.

I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the remarks in part which I made at the dedication of the Gilbertville water supply system on April 16.

REMARKS OF CONGRESSMAN PHILIP J. PHILBIN AT THE DEDICATION OF THE GILBERTVILLE WATER SYSTEM, APRIL 16, 1967

Mr. Chairman, Senator Quinn, Representative Cole, Chairman Plouffe, and the Board of Water Commissioners, Director Ward, Mr. Sewall, Mr. Howe, Mr. Gleason, Mr. Dana, Mr. Riding, Distinguished Board of Selectmen of Hardwick and New Braintree, Commissioner Nowak, Commissioner Kolsa, and all distinguished guests and friends.

It is a special honor, privilege and pleasure for me to be with you at this very happy, meaningful dedication of your new, water supply system for the Gilbertville district.

First, I want to express my heartiest congratulations to the various individuals and groups, to the Water District, and to the Community itself, for the fulfillment of this urgently needed exceptionally useful project.

There are many people, whom we can thank, for the realization of this great day, and for the wholehearted co-operation they extended to make it possible.

Your able, distinguished Commissioners, Chairman Plouffe, and his associates, Mr. Nowak and Mr. Kolsa, deserve highest credit and appreciation, not only for rounding out this fine, water program and this project, but for their capable, persistent efforts that were never abated until this project was assured and completed.

I think that very special credit is also due to our great Farmers Home Administration of the Federal Government, some of whose outstanding leaders are here today, for their exceptionally persevering work, guidance, direction, and crowning achievement in providing the federal grant which has been such an important factor in working out the new water system.

As I mentioned, there are many leaders and officials, indeed, who contributed most wholeheartedly to the results secured. In fact, they are too numerous to enumerate here.

But I want them all to know of the very deep gratitude that I personally feel for their warm interest, their unbroken faith, their personal concern and efforts that have unquestionably made possible the history-making event we so proudly celebrate today. And I should compliment and also thank the faithful, loyal and devoted people of the district and the community who had the foresight, the generosity and the good sense to make necessary basic funds available from their Town Treasury.

As most of you know, this project did not come in an easy way. Back in 1963, our good friends, Paul Plouffe and the Commissioners brought to my attention their desire and intent to apply for federal assistance for the project under the accelerated, public works program.

Since these funds had been exhausted, after some struggles and wait, we turned to the Department of Agriculture under its new program for the development of water and disposal systems.

This time, I am very happy to say, we hit pay dirt, thanks to the wisdom, judgment and efficiency of the Department, and the co-operation of some of our great federal leaders who are here with us today.

Senator Kennedy and other members of Congress helped us, and we all pitched in, but the road was long, hard, and filled with obstacles, and we can all be relieved and very grateful that after some delay, after painstaking engineering evaluations of the Commission, and official departmental reviews, the Farmers Home Administration came up with the concrete answers we were seeking, and it was my truly great pleasure last June 24th to dispatch a wire from Washington to the Board here that a substantial federal grant had been approved.

From then on, I am happy to say, the course of progress was relatively smooth. With its own funds, plus the federal grants, the Gilbertville Water District was soon able to get construction under way.

Today, the town has a brand new water supply system with estimated, adequate well capacity, which should be sufficient to meet the area's water requirements for some time to come.

As we all realize, our nation has many problems pressing us for solution these days, which are in some respects very challenging, and in other respects grave and totally unprecedented.

Our greatest task is to preserve our own freedom and security, and bring peace and order to the nation and in time hopefully to establish universal peace.

No one can predict what course Communist tyranny will take, but we hope and pray that all concerned in this crisis, the principals and the puppets, will listen to our earnest pleas for peace, and will agree at an early date, to stop their aggressions against the weak and the helpless and yield to the earnest pleas and prayers and sustained efforts for peace that have been made by our own great nation and so many other great nations of the world.

Meanwhile, Americans will remain firm, resolute and loyal in our high purpose of protecting our liberties, striving for freedom and total peace in the world.

Finally, may I say that this town can be proud today for the excellent work of its Water Commissioners, the sound judgment and public spirit of its people, and of its fine new water system.

It should last you for many years to come. But if for any reason, it should not and your growth and prosperity requires further action, I think you know where to come, and let me assure you that we of the federal government will always be eager and willing to assist you in every way we can. I am very proud to be here.

Thanks and best wishes for the future.

Congressman Rees Announces Results of 1967 Congressional Questionnaire

EXTENSION OF REMARKS
OF
HON. THOMAS M. REES
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 13, 1967

Mr. REES. Mr. Speaker, this April I sent to my constituents in California's 26th Congressional District my annual congressional questionnaire. The response was immediate and enthusiastic, and I would like to thank the more than 15,000 citizens who were sufficiently concerned to take the time to complete and return this poll.

My congressional district is in the western section of Los Angeles County and includes the cities of Beverly Hills and Culver City; the Los Angeles City communities of Rancho Park, Venice,

Mar Vista, Westdale, West Los Angeles, Cheviot Hills, Beverlywood, West Adams, and Fairfax Avenues; as well as the Los Angeles County areas of Marina del Rey, West Hollywood, and the Sunset Strip. Incomes range from lower middle to upper; a majority of my constituents are homeowners, and their educational level is higher than average.

The questions were written to reflect issues of particular concern to my district, as well as the current major national and international issues. In the multiple-choice questions many respondents chose several alternatives. Because of this some percentages add up to more than 100 percent.

Particularly gratifying was the high degree of respondents who further elaborated their views with notes and letters. I regret that space limitations make it impossible for me to share these comments with my colleagues as I can testify to the worthwhile nature of the overwhelming majority of the statements.

Knowing that my colleagues in Congress will be interested in the response of my constituents to the vital issues of the day, I include here the tabulated results of this poll:

Rees 1967 congressional questionnaire survey compilation

FOREIGN POLICY

1. Vietnam: Which policy do you favor for the U.S. in Vietnam?

(a) Continue the present policy of supporting the South Vietnamese, including limited bombing attacks in the north, while at the same time seeking a peaceful solution on the diplomatic front ---------- 22.7%
(b) Expand the war on all fronts to achieve a complete military victory ---------- 38.8%
(c) Halt the bombing of North Vietnam in the hope that this will provide the necessary climate for peaceful negotiations ---------- 32.4%
(Write in) Withdraw immediately ---------- 7.6%

2. East-West relations: What policy would you favor in dealing with the Soviet Union and other East European nations?

(a) Relax tensions and begin to build "peaceful bridges" by such means as increased East-West trade and approval of the United States-U.S.S.R. Consular Convention ---------- 67%
(b) Continue the present policies of the cold war and rely on the military deterrent of NATO ---------- 12.6%
(c) Intensify the cold war, even to the breaking off of diplomatic relations, unless the Eastern bloc countries promise to cut off aid to North Vietnam ---------- 20.4%

3. Foreign aid: We are now finding that the gap between the richer industrialized countries and the poorer underdeveloped nations continues to grow. As practically all of our aid programs are to underdeveloped nations, what should our future policy be?

(a) Continuance of foreign aid programs at their present level ---------- 13.9%
(b) Curtailing all foreign aid until we have "taken care of our own," or at least until the Vietnam war is solved ---------- 42.1%
(c) Expand aid programs with emphasis on helping underdeveloped countries to help themselves ---------- 41.8%

4. The Arab boycott: The Arab League nations have a trade boycott against all American firms doing substantial business in Israel. Which of the following alternatives would you favor?

(a) Continue the present U.S. compromise policy of requiring businesses to report to the Department of Commerce any Arab League actions, such as a request to fill out a questionnaire or to sign agreements, in furtherance of the boycott ---------- 12.9%
(b) Attempt to break the boycott by passing new and stronger legislation which will flatly prohibit American firms from taking actions which would support or further this restriction on trade ---------- 37.6%
(c) Leave it up to the affected businesses to choose between Arab and Israel markets as outlets for their products ---------- 36.7%

5. Red China: Despite the inner turmoil in Red China, we must continue to deal with the problem of recognition. Which would you favor?

(a) Continue U.S. policy of not recognizing Red China and opposing its admission to the United Nations ---------- 35.9%
(b) Extend diplomatic recognition to Red China and support Red China's admission to the United Nations ---------- 33.4%
(c) Initiate such programs as trade in nonstrategic goods, cultural exchanges of news reporters with the Communist Chinese, etc ---------- 31.3%

DOMESTIC POLICY

6. The Draft: The present draft law expires this June. Which of the following proposals would you favor?

(a) Universal program of two years of national service whereby a young man can choose at the age of 18 whether to join the armed forces, enter a CCC-type organization, or begin his college training (with the provision that after graduation he would serve his country in a capacity related to his academic interests through either the armed forces or such organizations as the Peace Corps or the Teachers Corps, etc.) ---------- 56.5%
(b) The National Advisory Commission on Selective Service recommendation of drafting young men at 19 by use of a lottery, granting educational deferments only in unusual situations ---------- 20.5%
(c) Retain the existing system ---------- 10.9%

7. State of the Union proposals: Following are new measures proposed by the President in his State of the Union Message to Congress. Which do you favor:

Gun control legislation:

Yes ---------- 73.8%
No ---------- 22.3%

Stronger air pollution control laws:

Yes ---------- 92.1%
No ---------- 7.9%

Increase of social security benefits by 20 percent:

Yes ---------- 62.4%
No ---------- 28.9%

Step up in the war on crime:

Yes ---------- 88.2%
No ---------- 5.2%

Renewed attack on urban blight:

Yes ---------- 66.9%
No ---------- 16.8%

Federal support for educational television:

Yes ---------- 57.3%
No ---------- 34.2%

Establishment of a Redwood Park in California:

Yes ---------- 78.6%
No ---------- 12.7%

Congressman Paul Rogers Comments on the Fair Packaging and Labeling Act of 1966

EXTENSION OF REMARKS
OF
HON. WILLIAM L. SPRINGER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1967

Mr. SPRINGER. Mr. Speaker, on May 26, 1967, Representative PAUL G. ROGERS spoke before a special conference of the Federal Bar Association on the subject of the Fair Packaging and Labeling Act of 1966.

Representative ROGERS' contribution in helping to shape this important consumer legislation is well recognized by his colleagues on the House Interstate and Foreign Commerce Committee. His thoughts and opinions on this subject, therefore, deserve special consideration.

In his address before the Federal Bar Association conference, Congressman ROGERS stressed the fact that Congress, having enacted the Fair Packaging and Labeling Act of 1966, will closely watch the manner in which the bill is implemented by executive department agencies and complied with by industry, toward the end that the congressional intent of this legislation is followed.

Mr. Speaker, considering the importance of the subject of fair packaging and labeling to the American consuming public, I am including Representative ROGERS' speech before the Federal Bar Association conference in the CONGRESSIONAL RECORD.

CONGRESSMAN PAUL ROGERS' SPEECH BEFORE FEDERAL BAR ASSOCIATION, MAY 26, 1967

Our concern here is clear and precise—the status and future of the Fair Packaging and Labeling Act which Congress enacted last year. But if we are to comprehend the present and from it measure the shape of the future we must first look back for a moment to understand what brought this legislation into being. In considering a bill as complicated as the Fair Packaging and Labeling Act, this entails a review of the legislative process and Congressional intent and how they influenced the enactment of this new law.

At least from the vantage point of the House Interstate and Foreign Commerce Committees, I would say that this Packaging and Labeling Act is an example of the Congressional deliberative process at its best. It is legislation that was molded into shape by many months of thoughtful consideration, extensive discussion, and unlimited debate.

So this bill came out of the House Committee and Congress *not* as the Administration's bill, *not* as industry's bill, *not* as the bill of any specific interest or pressure, but rather as Congress' own bill—a bill reflecting what the people's representatives in Congress determined was needed to advance the interest of consumers in today's complex marketplace.

Of course, not a few—and some are here—would have preferred a different and possibly less onerous law. Some emphatically cried out for requirements far more severe. Others

preferred no legislation at all. But to every shade of opinion our House Committee gave a full and fair hearing, and I am satisfied that this was so.

It was then, in this careful and reasoned fashion that the 89th Congress incubated and hatched out the Fair Packaging and Labeling bill of 1966. And having so carefully fashioned this legislative child, Congress has no intention of shirking its responsibility as the parent. This is to say, that we who labored long and hard to make this bill the law of the land are determined to have it enforced—and observed—in the manner and to the extent that we intended.

Congress, therefore, is going to carefully watch how the business community positions itself in respect to this new law.

The Fair Packaging and Labeling Act, as it finally emerged, was based on a major premise—that the overwhelming majority of the nation's consumer products manufacturers, processors and producers, are honest and responsible citizens who seek to deal fairly with their customers, the consuming public. It follows that this legislation presumes full compliance and cooperation on the part of the industries concerned. It would be grave error for these industries to misread this premise, and default on their responsibilities.

The need for federal regulation of certain packaging and labeling practices has been demonstrated.

This question now is "How much regulation is needed?" How much, however, depends on industry's reaction to the bill as enacted. The more successfully industry can get its own house in order, and can itself correct packaging and labeling practices which confuse or mislead consumers, the less need there will be for federal regulation or intervention. I hope that industry will clearly recognize this and will not delay in effecting the steps necessary to carry out the intent of Congress as expressed in the Packaging and Labeling Act.

But there is another side to the coin. Congress will be equally watchful of the manner in which the bill is implemented by the agencies charged with such responsibility.

I stress this here for a number of reasons, but especially because of the attitude—sometimes held by some departments and agencies in downtown Washington—that the legislative branch, once having enacted a bill, loses custody of the child as soon as it is signed into law. From that point on, according to this view, the law becomes a ward solely of the administrators charged with its implementation.

I would not mention this attitude if it were uncommon in official Washington. But a number of times in recent years the intent of a law passed by Congress has been so stretched on the rack of regulatory interpretation as to disfigure it beyond parental recognition.

Such an unhealthy tendency must not pervade the proposed administration of this new labeling and packaging statute. Where existing regulations are clearly adequate—where industry and various echelons of government have already acted responsibly and reasonably, and also, where experts in this difficult area have labored long and conscientiously to satisfy consumer need—then change *for its own sake* becomes worse than unnecessary; it becomes instead an unwarranted cost burden upon the consuming public, a needless imposition upon industry, a distortion of Congressional intent, and an indulgence of bureaucratic pettiness—as well as another case history of "Parkinson's Law".

I say this in the best of spirit and not to impugn motives. But I do give voice to a growing apprehension lest inter-agency relationships and a yen to blaze new consumer trails generate results harmful to objectives that everyone here shares in common. Indulged, they are likely to be directly at variance with the manifest intent of the Congress to help the consumer, not add to his financial burden.

Unfortunately, there are irresponsible elements in business as in all other human endeavors. But common sense suggests that if consumer product industries were as hostile to the public interest as some critics contend, our entrepreneurial system would long ago have failed.

The evidence is directly to the contrary. It demonstrates that we have the most successful consumer economy in the world. And I would be among the first to acknowledge that its success arises from the intensity of competition for consumer favor, not from Federal fiat and dictation.

Precisely for that reason I find an inner contradiction in the contention of some that massive Federal intrusions into the marketplace are needed to protect consumer interests. The implication is that the government must take over to bring rationality and order into the mounting "complexity" of the marketplace. Yet, this very "complexity" is the response of a delicately balanced, continually adjusting, consumer-oriented economy that is driven by its own internal forces to meet the ever-changing needs of American consumers.

This point is particularly relevant on the question of product proliferation. You will recall that early drafts of the bill would have required the federal regulatory agencies to impose mandatory solutions wherever problems of "undue proliferation" of package sizes, weights, etc. exist. After considerable testimony on this subject and careful consideration by the House Commerce Committee it became apparent that this was a much more difficult problem than had at first been supposed. The end result was to adopt a different approach and permit *voluntary* solutions to "undue proliferation", and to enable such problems to be solved more sensibly on a case by case basis. We trust therefore, that industry will move ahead expeditiously in developing voluntary and workable solutions to problems of product proliferation, thereby justifying our confidence in industry's ability to carry out Congressional intent in this area.

A final important point pertains to the requirement in the statute's "Declaration of Policy" that packages and labels should facilitate "value comparisons" by consumers. The change from the words "price comparisons" in the original bill to "value comparisons" in the final version again was made after lengthy testimony and careful congressional deliberation. Perhaps it would be well to briefly reiterate the reason for this change as explained by its author, Congressman Gilligan:

"It is designed to insure that the government agencies and officials charged with enforcing the law and issuing regulations thereunder do not exercise the powers conferred upon them, particularly section 5, for the sole purpose of facilitating a mathematical computation; that is, a price comparison, in the supermarket aisle. Price is only one element in a consumer value decision; other factors of equal or greater importance are product performance, the convenience of the package, and the suitability of the size or quantity of the product in satisfying a consumer's personal desire or need. Obviously what constitutes value is highly subjective."

The point here is that each value decision must be made by the *individual* involved—it is a personal judgment of the kind the federal government is ill-equipped to make and should not be—and is not—asked to make for the consumer. Thus it is important for all to remember that it is "value" *according to the judgment of the consumer,* which is here involved, and not "value" according to the judgment of the federal regulatory agencies. There has been some comment from the Senate Side revealing a misunderstanding of the intent of this House Amendment on this very point. The intent of the change was clearly stated by the author of the amendment himself.

In sum, I view the Fair Packaging and Labeling Act as a reasonable, balanced legislative instrument. It was created to apply additional safeguards in behalf of consumer interests, but without repressive regulation of manufacturing and marketing. We acted on the belief that since an informed and free choice is the goal of our consumer economy, it can best be achieved through industry cooperation, not Government decisions substituted for marketplace decisions.

What now of the future? I see it this way:

If the departments and agencies cleave to Congressional intent, the Fair Packaging and Labeling Act of 1966 is likely to become a legislative landmark in developing a climate in which government and industry can work together effectively and harmoniously to advance the interests of the consuming public. It is, as I have pointed out, the responsibility of both parties—government and industry—to produce the desired result. Time will tell whether or not they will meet that responsibility.

But this we can safely predict: If they fail this responsibility, Congress will act. We will not tolerate either an encroachment by the bureaucracy or intransigence on the part of private industry.

In conclusion, then, let me focus attention on three points:

First, Congress has not washed its hands of responsibility in packaging and labeling areas. We will continue to follow, with active interest, the manner by which this new law is implemented by both the agencies and industry.

Second, we in the legislative branch are determined to fulfill our duties and responsibilities in areas of consumer problems.

And finally, I am convinced that the Legislative Branch will continue to adhere to the principle that our political and economic system is based on the protection of the interests of citizen-consumers who have minds of their own, are capable of making intelligent decisions in the supermarket, and neither need nor want their decision making power turned over to Big Brotherism in Washington.

This then as I view it, is the sum of the philosophy behind the Fair Packaging and Labeling Act of 1966—a law enacted to protect the most basic consumer interest—the right to a free and informed choice in an abundant, free economy.

New York—Second Congressional District's Annual Questionnaire Response

EXTENSION OF REMARKS

OF

HON. JAMES R. GROVER, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1967

Mr. GROVER. Mr. Speaker, for the information and convenience of my colleagues and my constituents, I am pleased to submit the percentage analysis of responses to my questionnaire on vital issues of the day.

This year my questionnaire was prepared by the students of the political

science department of Suffolk County Community College under the able supervision of Prof. Ronald J. P. Lesko.

I am grateful to the college and its hard-working students, and wish to thank my constituents for their participation.

The difference, in those questions that do not add up to 100 percent, is that percentage which was left blank by those who completed the questionnaires. The percentage analysis follows:

[In percent]

	Yes	No	No opinion
FOREIGN AFFAIRS			
1. Do you feel that a far-reaching arms control agreement with Russia is practical and wise?	47	47	4
2. Do you feel that we have been too restrictive in terms of our trading policies with Communist-governed countries to date, and that we should expand trade with Communist countries now?	33	62	3
3. Do you feel that the United States is concerning itself excessively with problems in other parts of the world?	51	46	1
4. Is Asia within our range of interests?	73	20	4
5. Should the United States lessen its involvement in Europe?	50	45	3
6. Do you believe that military victory is possible for the United States in Vietnam?	70	25	3
7. Do you believe we can win the peace after a military victory?	49	39	7
8. In view of your feeling above, should we halt bombing and further escalation unconditionally?	18	75	4
9. Should the foreign aid portion of the budget be:			
(a) Increased?	7	38	3
(b) Held at present level?	27	25	3
(c) Decreased?	55	15	3
SPACE AND DEFENSE			
10. Do you feel that the cost of our space program is a deterrent to our national health, education, and welfare objectives?	34	60	4
11. Should we develop a more effective antimissile defense system?	65	22	10
12. Should the draft system be drastically revised?	55	34	7
13. Do you feel that our draft system should:			
(a) Use the lottery system?	40	31	8
(b) Consider national intellectual needs in postwar situations (educational deferements)?	42	30	6
BUDGET AND TAXES			
14. Do you feel that we can support both the domestic Federal projects and the Vietnamese war without reducing spending in either area?	22	71	5
15. Do you feel that the Federal Government annually should increase its support of the arts and humanities?	31	58	8
16. Do you feel that some Federal tax credit plan should be developed covering college and private high school education costs?	64	31	3
17. Do you feel the President's proposed 6 percent tax increase (surcharge) is necessary?	17	70	11
HEALTH AND WELFARE			
18. Should social security benefits be geared to the cost of living?	81	14	3
19. Do you feel that the Manpower Development and Training Act has been a success?	10	52	35
20. Do you favor stronger Federal controls over technological areas like air pollution and automobile manufacturing?	64	31	3
PERSONAL, POLITICAL, AND CIVIL RIGHTS			
21. Do you feel that positive advances have come about in the area of racial equality in the last 10 years?	79	16	3
22. Has Congress gone as far as it should in terms of legislating the morality of civil rights?	67	23	8
23. Should the Federal Government develop a plan for controlling campaign expenditures?	71	22	6
24. Do you feel that Federal controls ought to be adopted relative to any computerized collection of all citizens' personal files now available in Washington, D.C.?	51	26	19
CRIME AND LAW ENFORCEMENT			
25. Do recent Supreme Court decisions respecting the rights of suspects and convicted criminals unduly hamper law enforcement?	79	16	
LABOR AND TRANSPORTATION			
26. Do you feel that labor unions are insufficiently controlled under present Federal laws?	71	24	4
27. Should sec. 14–b of the Taft-Hartley law be repealed?	18	53	24
28. Should the Federal Government lend support to a major, multilevel transportation system along the northeast coast?	68	21	10
CONSERVATION			
29. Is the Federal Government doing enough regarding the conservation of valuable inland areas, wetlands, rivers, seashores, etc?	19	66	12

Hubbardston, Mass., Celebrates Its 200th Anniversary

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1967

Mr. PHILBIN. Mr. Speaker, the year 1967, and particularly this summer, will long be remembered by several communities in my district because it is the year when outstanding anniversary programs of events were held to mark noteworthy anniversary dates.

Today, Mr. Speaker, I am proud indeed to bring to the attention of the House the 200th anniversary of the town of Hubbardston, Mass., which was incorporated as a district 200 years ago today. This happy event of June 13, 1767, is the subject of a weeklong celebration in Hubbardston which will culminate this Sunday with a huge 2-hour, six-division parade, a drum and bugle corps competition, and a fireworks display.

The Hubbardston anniversary program is truly impressive. It began with a bicentennial ball on May 12 and this evening at the Center School there will be a speaking program marking the actual date of the charter. Tomorrow, June 14, there will be a tour of historic homes, and on Saturday there will be sports events, a firemen's muster, and a band concert.

One fact, Mr. Speaker, should be singled out for special mention: the Hubbardston anniversary program is a simple and dignified one, which might well be a duplicate of the program held to celebrate Hubbardston's 100th anniversary, a memorable celebration which is being relived in Hubbardston this week.

A century ago, at Hubbardston's centennial celebration, a long poem was read which included these lines:

Some few within this audience know
How this street looked long years ago.
A tavern stood at either end,
Where those who had some cash to spend,
Or idle hours to pass away,
Might wet their whistles any day;
And it was said, we know not why,
That whistles then were often dry.

Generally, though, much more serious things were said that day. The closing sentence of the centennial address by Dr. J. C. Gleason was:

If, on the 13th day of June, 1967, our descendants shall be pleased to observe their centennial day, may the records of this coming century show as little to censure and more to admire than we find in that just closed.

His hope has been fulfilled. We find, on this day that seemed so far in the future to Dr. Gleason, nothing to censure and much indeed to admire. The last century has seen great changes as the generations have passed in Hubbardston. During all this time, this lovely community has preserved its traditions of patriotism and civic pride.

An account of that centennial summer's day tells us that:

Thus passed the 13th day of June, 1867; a day long to be remembered in the annals of Hubbardston; a day which was closing without the happening of any accident to mar the pleasure of the occasion; a day that had brought together more people than had ever before been assembled in the town on any occasion; a day rendered pleasant by all its surroundings—a clear sky, a bright sun, pure air and gentle breezes; pleasant by the friendly greetings of old friends and asso-

ciates, the returned sons and daughters of Hubbardston, returned to the old homestead for an affectionate embrace.

Many had returned to meet aged parents or other relatives, others to meet no kindred or relative, but nevertheless to meet friends, warm friends, and revisit and revive the scenes, the haunts, and the memories of former years, the homes which they may have once left without casting one longing, lingering look behind, but to which they now turned with fond delight.

Mount Wachusett seems to have been the object which drew the attention of the first settlers of Massachusetts toward this region. As early as 1631, Governor Winthrop noted in his journal that he and others went up the Charles River about 8 miles above Watertown, climbing upon "a very high rock, where they might see a very high hill, due west about 40 miles." In 1635 an expedition crossed the area to the Connecticut River.

The first settlement in the region was at Lancaster, in 1643. In 1681, Stoughton and Dudley were appointed by the general court to negotiate with the Nipmuck Indians for the territory. The next year they reported that they had "purchased a track for £30 and a cart, and, for £50, another track, 50 miles long and 20 wide." The negotiators stated that, "The northern part toward Wachusett is still unpurchased and persons yet scarcely to be found meet to be treated with thereabouts."

Four years later, five Indians were found who claimed to be the owners of this northern section. Their names, or the names bestowed upon them for the occasion, were Puagastion, Pompamamay, Qualipunit, Sassawannow, and Wananapan. On the 22d of December 1686, they deeded a tract of land, swamps and timber 12 miles square for £23.

This deed, probably arranged in order to pacify the Indians of the area, was not regarded by its grantees as very valuable at the time. Twenty-six years after its execution, the heirs of the original grantees petitioned the general court for a confirmation of their title. This the general court did on February 23, 1713, on condition that, within 7 years, 60 families should be settled on the land, and a sufficient acreage be reserved for the gospel ministry and for schools.

New England's founders, Mr. Speaker, believed in first things first; those first things were provided for in the reservation of land in any township for the support of education and religion.

This tract was surveyed in 1715. It contained 93,160 acres, and included the area of what is now Rutland, Oakham, Barre, Hubbardston, a portion of Paxton, and more than half of Princeton.

In December of 1715, the 33 proprietors voted "to survey and set off into lots the contents of 6 miles square, to be granted to settlers, in order to secure the performance of the conditions in the original confirmation of title." They then laid out 62 lots of 30 acres each which they offered to permanent settlers, promising them that more land would be divided among them if 60 families were settled within the prescribed 7 years. This promise was kept. The proprietors gave up all right and title to a fourth of the original purchase in order to encourage settlement. That fourth eventually became Rutland and part of Paxton.

The remaining three-fourths were held in common by the proprietors until 1749 when the northwest corner was incorporated into a separate Rutland District, now the town of Barre, 6 miles square, a favorite size and form when the towns of the area were being laid out. What became Oakham was called the West Wing, and what is now the west part of Princeton was the East Wing. Hubbardston was then called merely the northeast quarter. The proprietors divided this quarter among themselves by laying out lots there in 1737. Provision was made for allocations of land for a minister and a school.

On June 12, 1767, the members of the general court and the Governor's council approved a bill giving the northeast quarter the status of an incorporated district, and the Governor signed the bill on June 13. A warrant was issued on June 25 for the election of local officers which was held on July 3. Town status was obtained by Hubbardston under a statute of March 23, 1786, declaring all places in Massachusetts incorporated as districts before January 1, 1777, to be "towns to every intent and purpose whatever."

The district and town were named for Thomas Hubbard, one of the early land proprietors of the area. Mr. Hubbard was a Bostonian who served as speaker of the Massachusetts House of Representatives. He was treasurer of Harvard College for 17 years, and promised the citizens of Hubbardston that he would give the glass for the first meetinghouse. A history of Hubbardston in those days tells us that, "To make Mr. Hubbard's liberality more conspicuous, the people planned for an extra number of windows. But he died in 1773, and his estate was so much involved that they received nothing, and were obliged to glaze their windows at their own expense."

Mr. Speaker, in recognition of Hubbardston's 200th anniversary celebration I am introducing today a special resolution extending the greetings and felicitation of the House to Hubbardston on the occasion of this anniversary.

I know that my colleagues will be pleased to join me in paying well-deserved tribute to this progressive community in my district and its people who have contributed so much down through the years to the growth and advancement of our great country.

The text of my resolution reads as follows:

Whereas the year 1967 marks the two hundredth anniversary of the incorporation of the town of Hubbardston, Massachusetts on June 13, 1767; and

Whereas from the time of settlement in 1737 the people of Hubbardston have figured conspicuously in the founding and growth of this Nation; and

Whereas the observance of the two hundredth anniversary of Hubbardston is being celebrated with impressive community ceremonies this week which will attract many visitors to central Massachusetts; and

Whereas Hubbardston is a progressive community rich in historic interest, distinguished for its fervent civic spirit, and faithfully devoted to American institutions and ideals: Now, therefore, be it

Resolved, That the House of Representatives extends its greetings and felicitations to the people of Hubbardston, Massachusetts, on the occasion of the two hundredth anniversary of this community and the House of Representatives further expresses its appreciation for the splendid services rendered to the Nation by the citizens of Hubbardston during the past two hundred years.

SENATE

WEDNESDAY, JUNE 14, 1967

(Legislative day of Monday, June 12, 1967)

The Senate met at 10 o'clock a.m., on the expiration of the recess, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Let us pray.

Almighty and ever-living God, as we bow in this quiet moment dedicated to the unseen and the eternal, make vivid our abiding faith, we beseech Thee, in those deep and holy foundations which our fathers laid, lest in this desperate and dangerous day we attempt to build on sand instead of rock.

Enable Thy servants in this place of governance, in the discharge of great responsibilities of public trust, to be calm, confident, wise, and just, their hope in Thee sure and steadfast.

Help us in all things to be masters of ourselves that we may be servants of all.

Make us alive and alert, we pray Thee, to the spiritual values which underlie all the struggle of these epic days. To this end may selfishness and all uncleanness be purged from our own hearts and our will be lost in Thine.

"Breathe on us, breath of God
Fill us with life anew,
That we may love what Thou dost love
And do what Thou wouldst do.

Breathe on us, breath of God
Until our heart is pure,
Until with Thee we will one will
To do and to endure."

We ask it in the name of that one whose truth will make all men free. Amen.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed a bill (H.R. 10738) making appropriations for the Department of Defense for the fiscal year ending June 30, 1968, and for other purposes, in which it requested the concurrence of the Senate.